





ACTIVATE CONSULTING
TECHNOLOGY & MEDIA OUTLOOK 2026







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Activate growth.
Own the future.

Technology. Internet. Media. Entertainment. Sports. These are the industries we've shaped, but the future is where we live.

Activate Consulting helps senior executives position their businesses for the future and create value for shareholders: identify growth opportunities, develop strategies, capture customer and user insights, create new businesses, and determine how to change the rules of the game in their industries.

We bring unique industry-specific expertise and experience to help companies unlock and accelerate revenue growth across every part of the revenue cycle: customer acquisition, marketing, pricing, distribution, sales force effectiveness, and execution management.

As the leading management consulting firm for these industries, we know what success looks like because we've helped our clients achieve it in the key areas that will impact their top and bottom lines.

Ultimately, clients judge us by the only measures that matter: growth and results. We can help you grow your revenues, take advantage of new opportunities, define your strategic roadmap, and get ahead of the forces transforming your business.

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Welcome to the 2026 Edition of the Activate Technology & Media Outlook

Each year, we take a deep dive into the major consumer trends, technology innovations, and industry dynamics that will shape the technology, internet, media, entertainment, and sports worlds in the year ahead – and beyond.

In this year's report we cover a broad set of themes that will be important for 2026: growing consumer time and attention with technology and media, the impact of generative AI on web search, how video is overtaking every part of the internet, video gaming's global dominance, why every business needs a Super User strategy, and how spatial computing is leading us into the post-smartphone era.

The report also includes an extensive evaluation of major forces reshaping B2B technology: the evolving landscape of enterprise platforms and solution providers, the C-suite perspective on enterprise AI, and the requirements to serve today's technology decision makers.

There is deep industry analysis, large-scale consumer and customer research, and our firm's proprietary insights. Our perspective draws on Activate Consulting's experience helping companies and innovators at the center of these industries develop their strategic roadmaps and major initiatives to drive growth and shareholder value creation.

We hope you'll find the results both insightful and thought provoking. Look forward to hearing what you think.

The Activate Consulting Team

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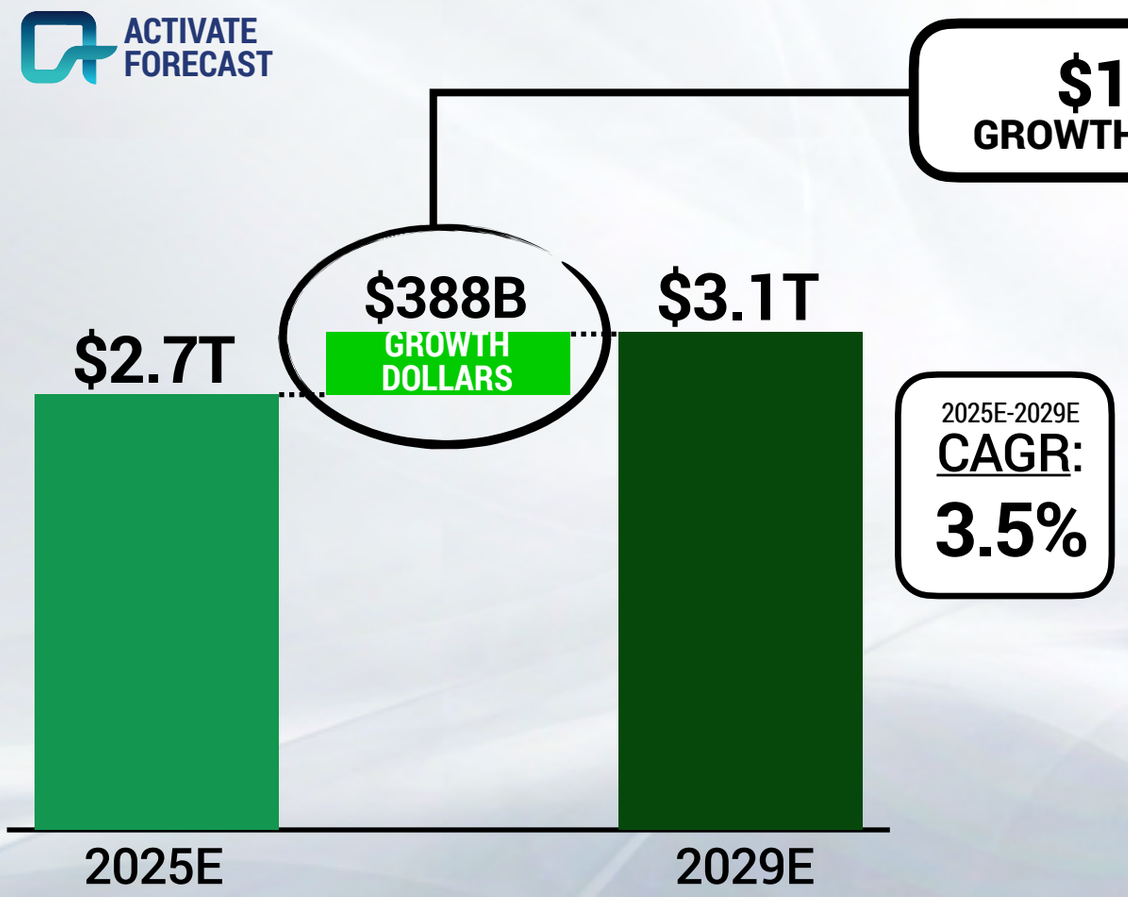
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GROWTH DOLLARS: INTERNET, MEDIA, B2B TECHNOLOGY, AND SOFTWARE

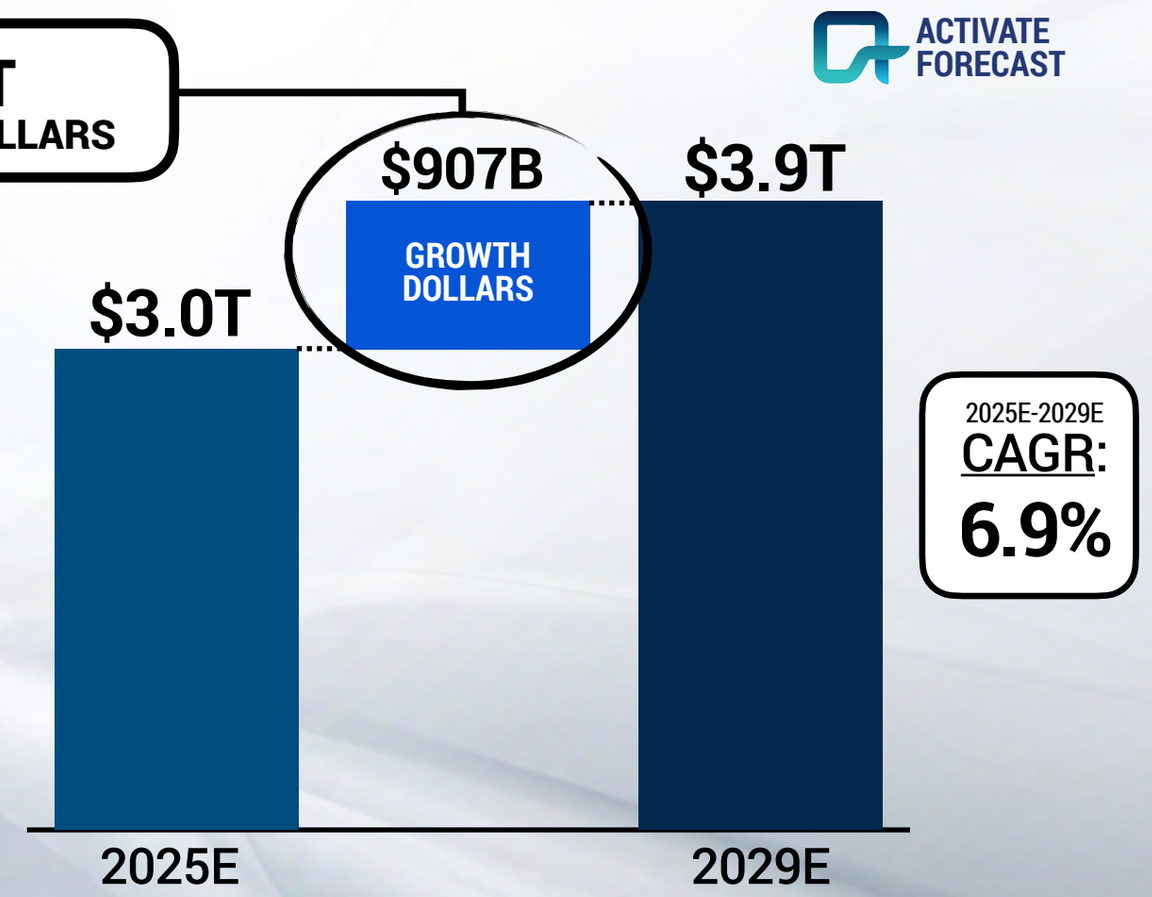
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We forecast $1.3T in growth dollars across the internet, media, B2B technology, and software industries over the next four years

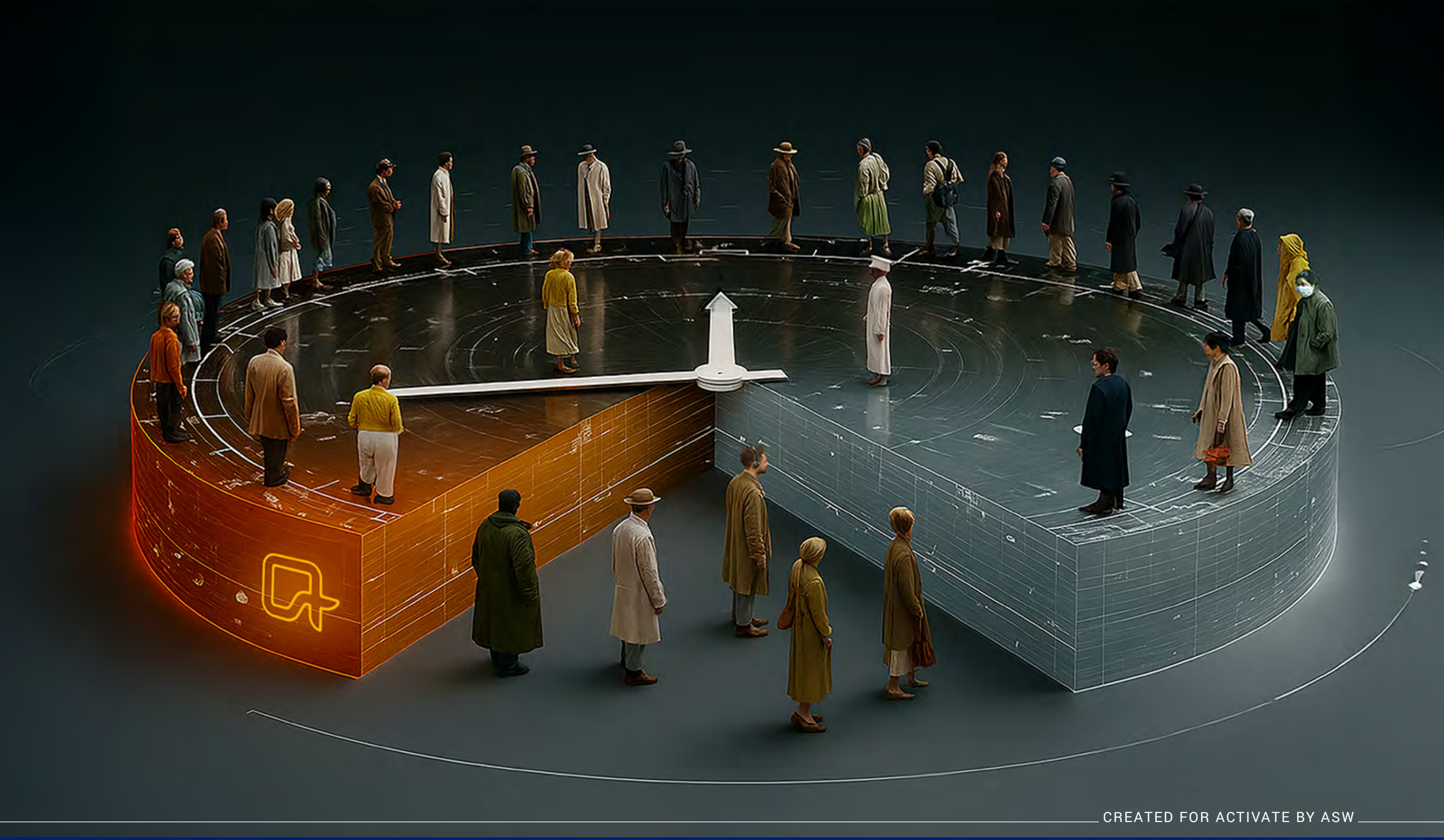
INTERNET AND MEDIA REVENUES[1],
GLOBAL, 2025E VS. 2029E, USD



B2B TECHNOLOGY AND SOFTWARE REVENUES[2],
GLOBAL, 2025E VS. 2029E, USD



1. “Internet and media revenues” include revenues from radio subscription and licensing fees, recorded music, book publishing, magazine publishing, newspaper publishing, video games, filmed entertainment, TV subscription and licensing fees, internet access, digital advertising, and traditional advertising on these platforms. 2. “B2B technology and software revenues” include revenues from cloud-native applications & services (i.e., software, data storage, and compute hosted on a public cloud platform or remote data center), on-premise applications & services (i.e., software, data storage, and compute hosted on-site, including servers and enterprise network equipment), and third-party IT services (i.e., any service offering that assists enterprises in implementing, managing, and operating software, systems, and equipment used in modern IT environments).
Sources: Activate analysis, Alliance for Audited Media, Analysys Mason, Company filings, Dentsu International, eMarketer, Forrester, Fortune Business, Gartner, HG Insights, IBISWorld, International Data Corporation, Newzoo, Omdia, Pew Research Center, Precedence Research, PricewaterhouseCoopers, Synergy Research Group, WPP Media, Zenith Media



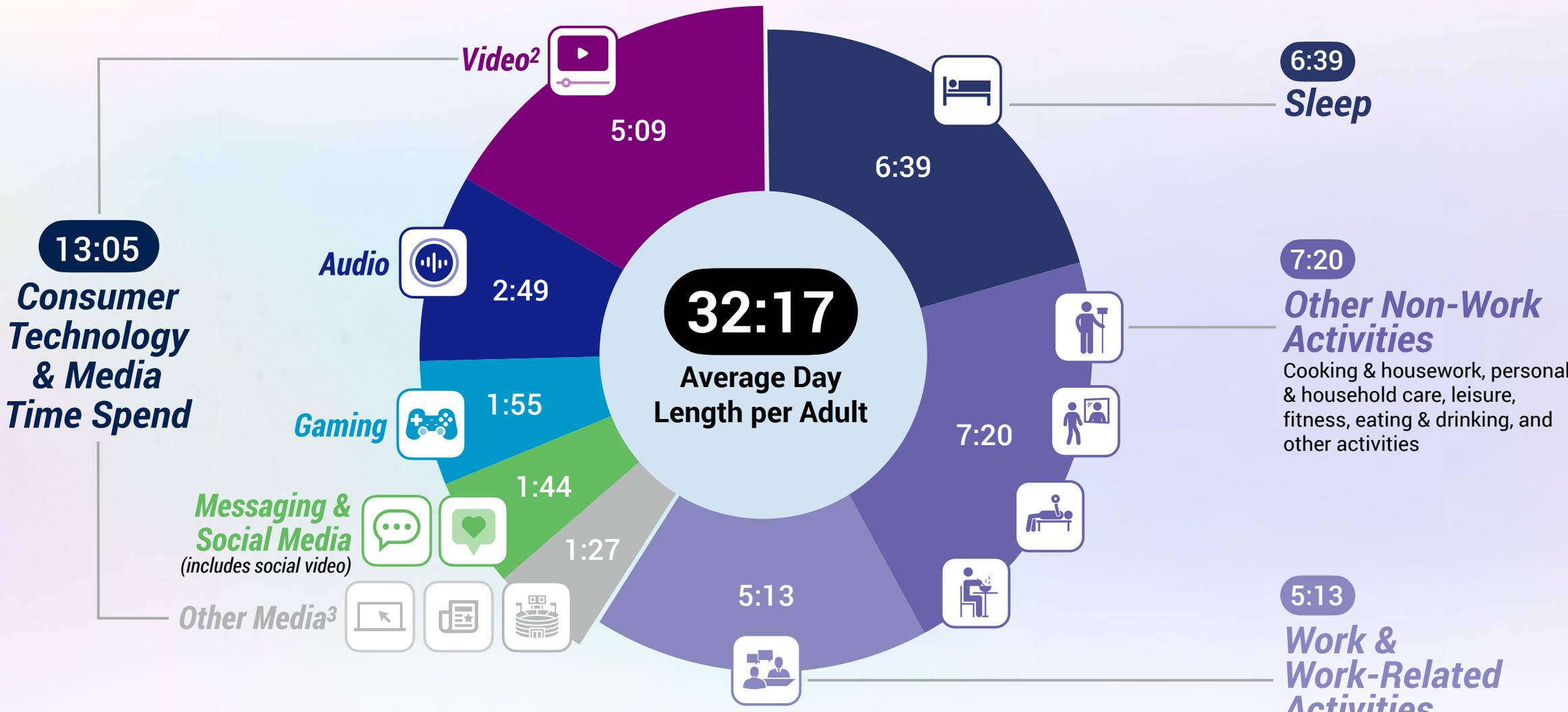
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CONSUMER TIME AND ATTENTION: LIVING INSIDE THE TECHNOLOGY & MEDIA ATTENTION CLOCK FOR 13 HOURS A DAY

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Activate's Attention Clock: Our analysis of consumer technology and media activity shows that multitasking leads to a 32-hour day for the average American, with over 13 hours spent using technology and media

AVERAGE DAY BY ACTIVITY PER ADULT AGED 18+[1], U.S., 2024, HOURS:MINUTES

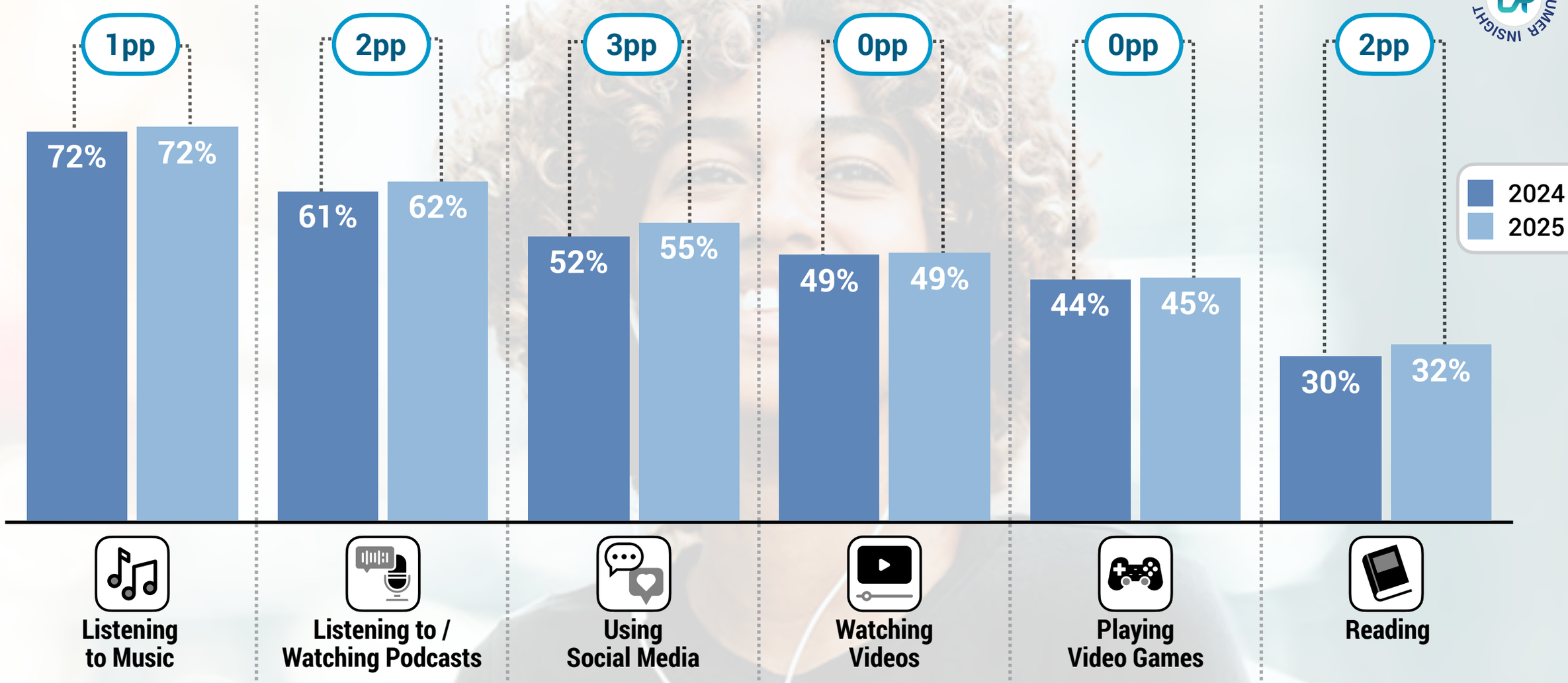


1. Behaviors averaged over seven days. Figures do not sum due to rounding. 2. "Video" includes YouTube. 3. "Other Media" includes media activities outside of the listed categories, such as browsing websites, reading, and attending live events.
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026), Company filings, Comscore, Conviva, data.ai, eMarketer, Gallup, GWI, Interactive Advertising Bureau, Music Biz, National Sleep Foundation, Newzoo, Nielsen, NPD Group, Omdia, Pew Research Center, PricewaterhouseCoopers, U.S. Bureau of Labor Statistics, YouGov

Multitasking is the time multiplier across all major technology and media behaviors

MULTITASKING[1] BEHAVIOR BY ACTIVITY[2], U.S., 2024 VS. 2025, % ADULTS AGED 18+ WHO ENGAGE IN EACH ACTIVITY

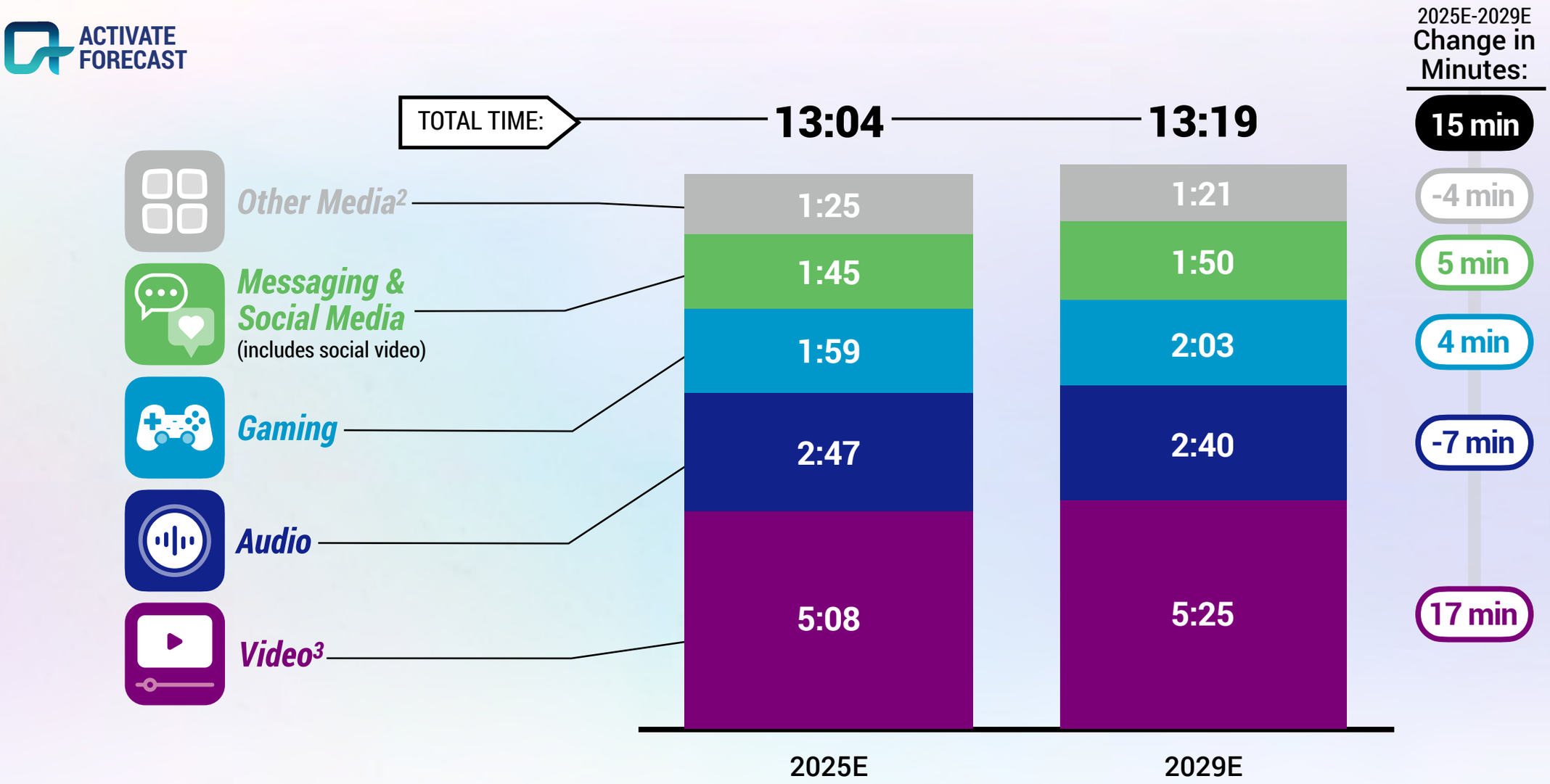
Consumers who multitask[1] all, almost all, or most of the time when…



1. "Multitasking" is defined as simultaneously doing another activity, such as working, cleaning, cooking, or exercising. 2. Figures do not sum due to rounding.
Sources: Activate analysis, Activate 2024 Consumer Technology & Media Research Study (n = 4,004), Activate 2025 Consumer Technology & Media Research Study (n = 4,026)

As a result of multitasking and growing behaviors, we forecast that people will spend an additional 15 minutes each day with technology and media by 2029 – largely driven by increased time with video

AVERAGE DAILY TECHNOLOGY AND MEDIA ATTENTION PER ADULT AGED 18+[1], U.S., 2025E VS. 2029E, HOURS:MINUTES



1. Behaviors averaged over seven days. 2. "Other Media" includes media activities outside of the listed categories, such as browsing websites, reading, and attending live events. 3. "Video" includes YouTube.
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026), Company filings, Comscore, Conviva, data.ai, eMarketer, Gallup, GWI, Interactive Advertising Bureau, Music Biz, National Sleep Foundation, Newzoo, Nielsen, NPD Group, Omdia, Pew Research Center, PricewaterhouseCoopers, U.S. Bureau of Labor Statistics, YouGov

Increased time spend/engagement is also enabled by time freed up through efficient functionality of utility applications

TIME SPEND VS. ENGAGEMENT/UTILITY SPECTRUM

ILLUSTRATIVE EXAMPLES

ENGAGEMENT
High Session Length

UTILITY
High Session Length

NETFLIX, Disney+, HBOmax, prime video, ROBLOX, tubi, twitch, Discord, MasterClass, PELOTON, NTC NIKE TRAINING CLUB, PATREON, YouTube, substack

Adobe Photoshop, Logic Pro, Final Cut Pro, GitHub, zoom, Figma, coursera, PLURALSHIFT, miro, Canva, Notion, duolingo, Quizlet, Midjourney, ChatGPT

Spotify, reddit, Pinterest, tinder, bumble, Glass, STRAVA, goodreads, TikTok, Instagram, BeReal., facebook, Snapchat

WhatsApp, LinkedIn, amazon, headspace, Google Maps, airbnb, robinhood, Uber, instacart, DOORDASH, Dropbox, venmo, Calendly

SESSION LENGTH

ENGAGEMENT
Low Session Length

UTILITY
Low Session Length

ENGAGEMENT
(VALUE CREATED PROPORTIONAL TO TIME SPEND)

UTILITY
(VALUE GENERATED THROUGH EFFICIENCY AND FUNCTIONALITY)

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Sources: Activate analysis, Company sites

To capture more consumer time, companies will extend their user propositions and expand their roles in people's lives

EXAMPLES OF COMPANIES EXTENDING THEIR USER PROPOSITION

UTILITY TO ENGAGEMENT:

- amazon → prime video · audible (an amazon company) · amazon music
- Apple → tv · Fitness+ · Arcade · Music
- Chick-fil-A → Chick-fil-A play
- robinhood → Robinhood Social[1] · Sherwood
- Uber → Uber Advertising

ENGAGEMENT TO UTILITY:

- Discord → Discord Server Shops
- Pinterest → Pinterest Product Pins
- Snapchat → Snap AR Try-on
- Spotify → Spotify Artist Merch Shops
- TikTok → TikTok Shop

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1. Expected to launch in early 2026.
Sources: Activate analysis, Company sites



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SUPER USERS: HEAVYWEIGHTS IN TECHNOLOGY AND MEDIA USAGE; WHY EVERY COMPANY WILL NEED A SUPER USER STRATEGY

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Super Users are heavyweights in technology and media usage: they represent 28% of the population, but spend nearly twice as much time as everyone else

AVERAGE DAILY TIME SPEND WITH TECHNOLOGY AND MEDIA PER USER[1], U.S., 2025E, % ADULTS AGED 18+ / HOURS:MINUTES

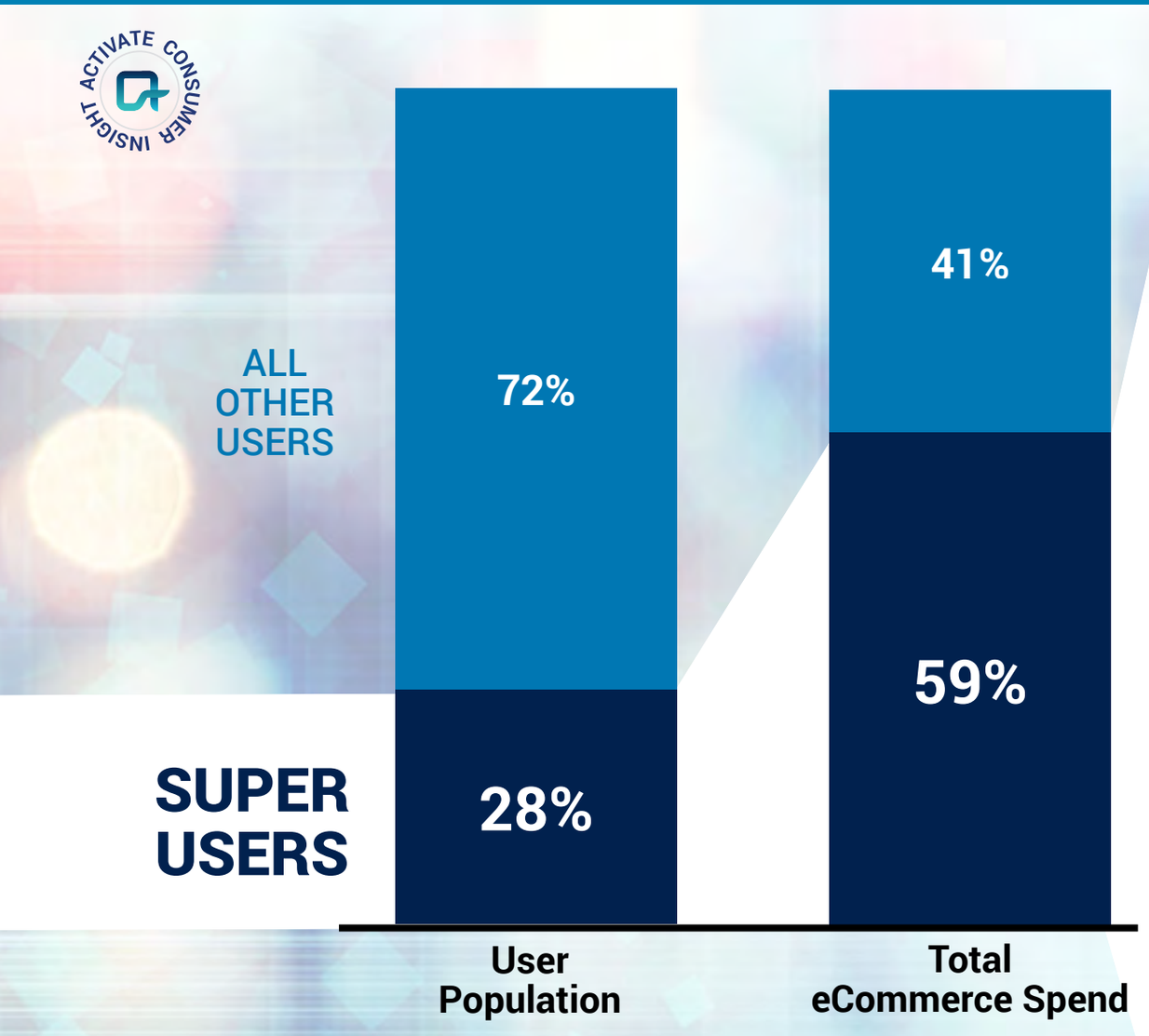


1. Includes time spent watching video, playing video games, listening to music, listening to or watching podcasts, and using messaging / social media services.

Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026), Alliance for Audited Media, Company filings, Comscore, Conviva, data.ai, Dentsu International, eMarketer, Gallup, GWI, IBISWorld, Interactive Advertising Bureau, Music Biz, National Sleep Foundation, Newzoo, Nielsen, NPD Group, Omdia, Pew Research Center, PricewaterhouseCoopers, U.S. Bureau of Labor Statistics, WPP Media, YouGov, Zenith Media

Super Users represent an outsized share of total eCommerce spend and over-index on dollar spend across shopping categories, especially for purchases requiring more consideration

ECOMMERCE SPEND, U.S., 2025,
% ADULTS AGED 18+ / % TOTAL ECOMMERCE SPEND

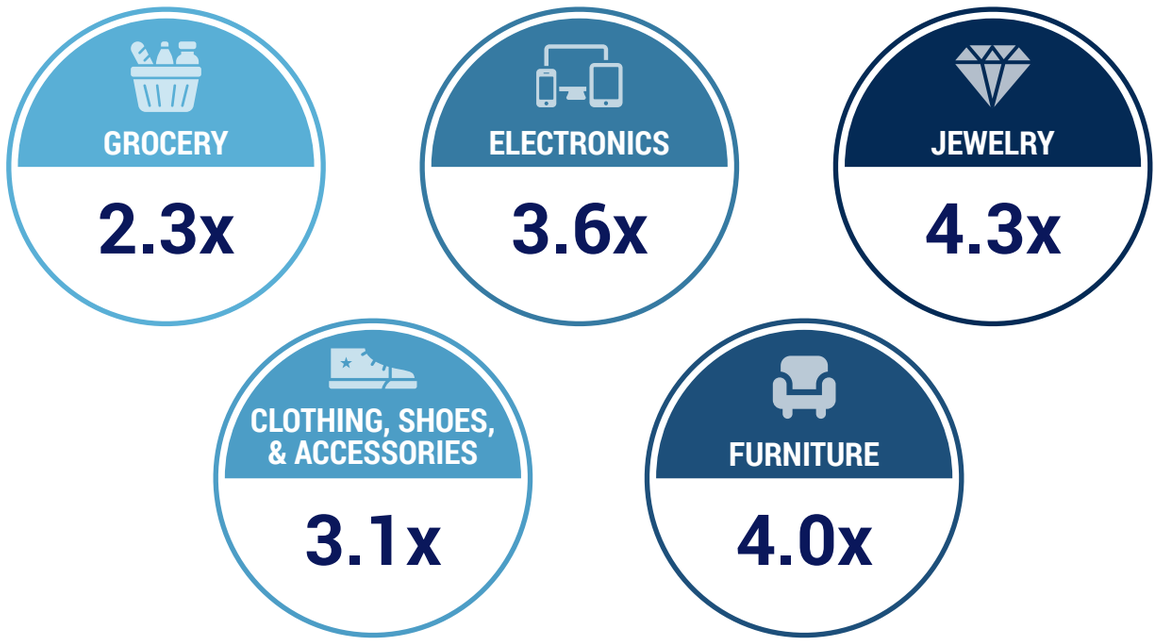


ECOMMERCE SPEND BY CATEGORY, U.S., 2025,
SUPER USERS INDEXED TO ALL OTHER USERS

SUPER USERS ARE MUCH MORE COMFORTABLE PURCHASING ONLINE, ESPECIALLY FOR HIGHER-TICKET ITEMS THAT REQUIRE MORE CONSIDERATION

Lower-ticket items → *Purchase Consideration* → Higher-ticket items

On average, Super Users spend…



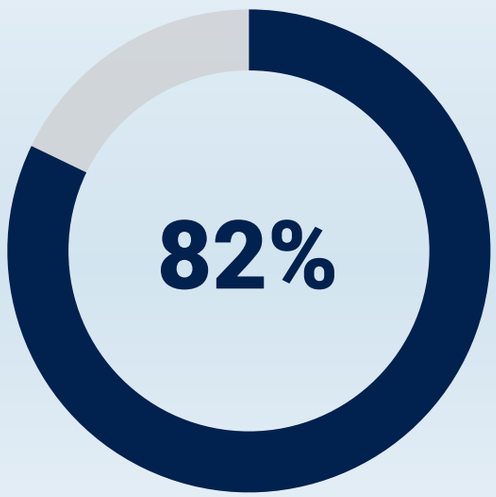
…as much online as all other users

Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026)

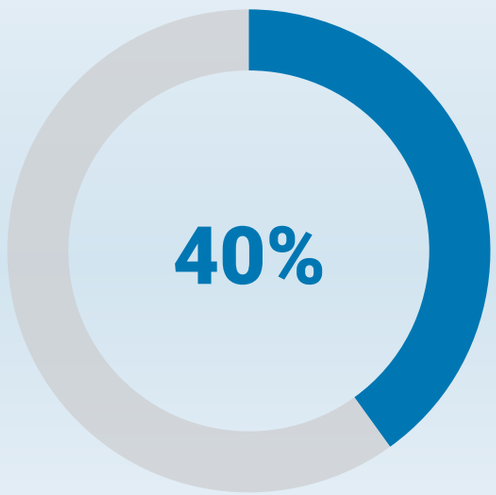
Super Users are more than twice as likely to be early adopters of new technology/devices

PROPENSITY TO BE AMONG THE FIRST FEW TO BUY/USE NEW TECHNOLOGY/DEVICES[1],
U.S., 2025, % ADULTS AGED 18+

SHARE OF ADULTS AGED 18+ WHO ARE USUALLY AMONG THE FIRST FEW TO BUY/USE NEW TECHNOLOGY/DEVICES[1]

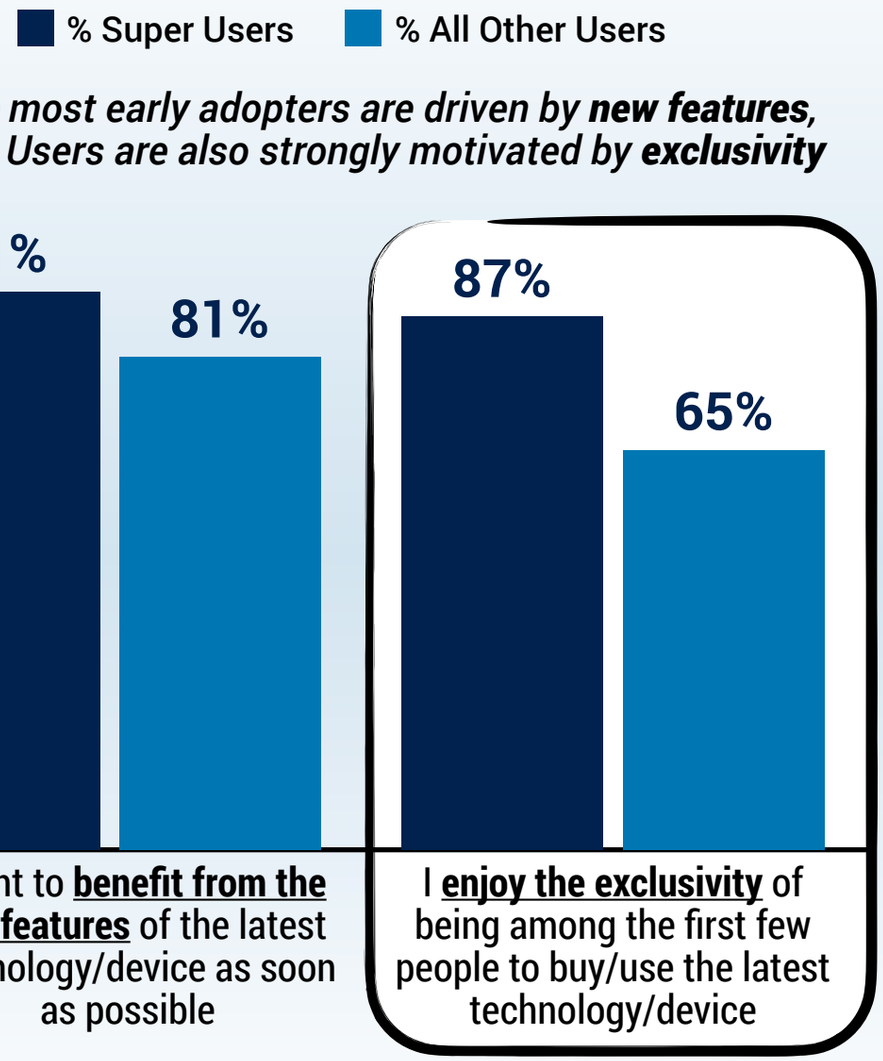


SUPER USERS



ALL OTHER USERS

REASONS FOR EARLY ADOPTION OF TECHNOLOGY/DEVICES,
U.S., 2025, % ADULTS AGED 18+ WHO ARE USUALLY AMONG THE FIRST FEW TO BUY/USE NEW TECHNOLOGY/DEVICES[1]



1. Includes consumers who usually buy/use new technology/devices before anyone else they know and consumers who usually buy/use new technology/devices after a few people they know have done so (but before many people they know have done so).
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026)

In addition to engaging more frequently with generative AI platforms, Super Users are more likely to pay for subscriptions to access premium generative AI features

USAGE OF AND PAYMENT FOR GENERATIVE AI PLATFORMS, U.S., 2025, SUPER USERS INDEXED TO ALL OTHER USERS

Super Users are…

2.0x

AS LIKELY TO **USE A GENERATIVE AI TOOL** AT LEAST ONCE PER MONTH

Super Users use generative AI more often and deeply, driving demand for premium features and increasing subscription likelihood

3.4x

AS LIKELY TO **PAY FOR A GENERATIVE AI SUBSCRIPTION**

…than all other users

EXAMPLE GENERATIVE AI PLATFORM PAID SUBSCRIPTION FEATURES/FUNCTIONS

Full access to most advanced models (e.g., Gemini 2.5 Pro vs. free Gemini 2.5 Flash)	**Faster and priority performance** (e.g., no slowdowns or "at capacity" lockouts)	**Expanded context window and file handling** (e.g., upload more PDFs, spreadsheets, images)	**Multimodal and creative tools** (e.g., generate and edit images, interpret visuals)

Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026), Company sites

Super Users are at the forefront of adopting next-generation technology trends such as Virtual/Mixed Reality headsets and AI glasses

NEXT-GENERATION TECHNOLOGY BEHAVIORS, U.S., 2025, SUPER USERS INDEXED TO ALL OTHER USERS

VIRTUAL REALITY (VR) / MIXED REALITY (MR)	AI GLASSES
4.3x AS LIKELY TO USE **A VR/MR HEADSET** AT LEAST ONCE PER MONTH	**4.3x** AS LIKELY TO USE **AI GLASSES** AT LEAST ONCE PER MONTH
EXAMPLES	*EXAMPLES*
HP REVERB G2 Meta Quest PlayStation VR2 SAMSUNG Galaxy XR Vision Pro VIVE PRO 2	GENTLE MONSTER WARBY PARKER Android XR OAKLEY PRADA Ray-Ban Meta

Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026)

Super Users spend significantly more time engaging in major technology and media activities

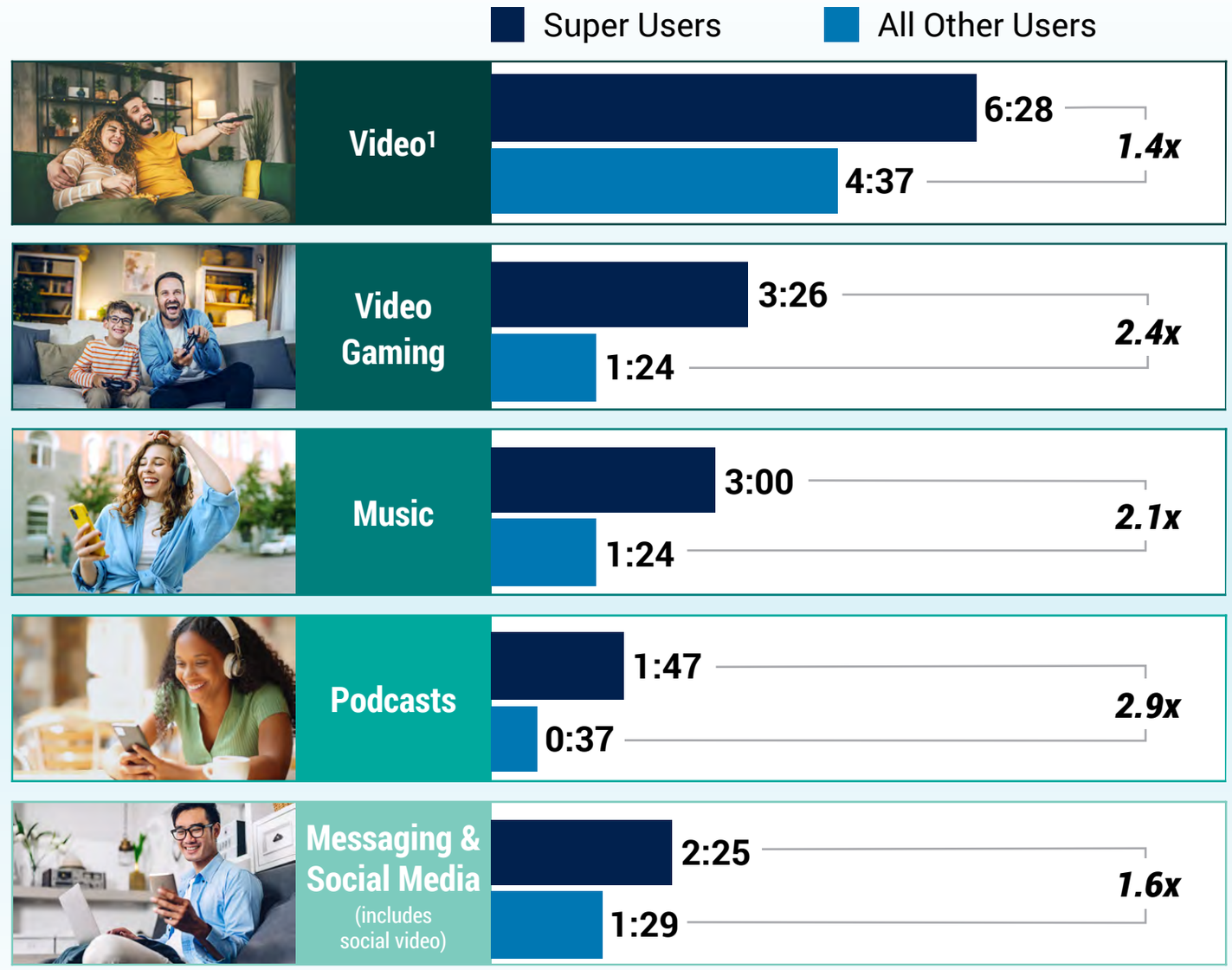
AVERAGE DAILY TIME SPEND PER USER BY TECHNOLOGY AND MEDIA TYPE, U.S., 2025E, HOURS:MINUTES

SUPER USERS

17:06
Total Hours

ALL OTHER USERS

9:31
Total Hours



1. "Video" includes YouTube.

Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026), Alliance for Audited Media, Company filings, Comscore, Conviva, data.ai, Dentsu International, eMarketer, Gallup, GWI, IBISWorld, Interactive Advertising Bureau, Music Biz, National Sleep Foundation, Newzoo, Nielsen, NPD Group, Omdia, Pew Research Center, PricewaterhouseCoopers, U.S. Bureau of Labor Statistics, WPP Media, YouGov, Zenith Media

Super Users are super multitaskers

MULTITASKING[1] BEHAVIOR BY TECHNOLOGY AND MEDIA ACTIVITY, U.S., 2025, % ADULTS AGED 18+ WHO ENGAGE IN EACH ACTIVITY

CONSUMERS WHO MULTITASK[1] ALL, ALMOST ALL, OR MOST OF THE TIME WHEN…





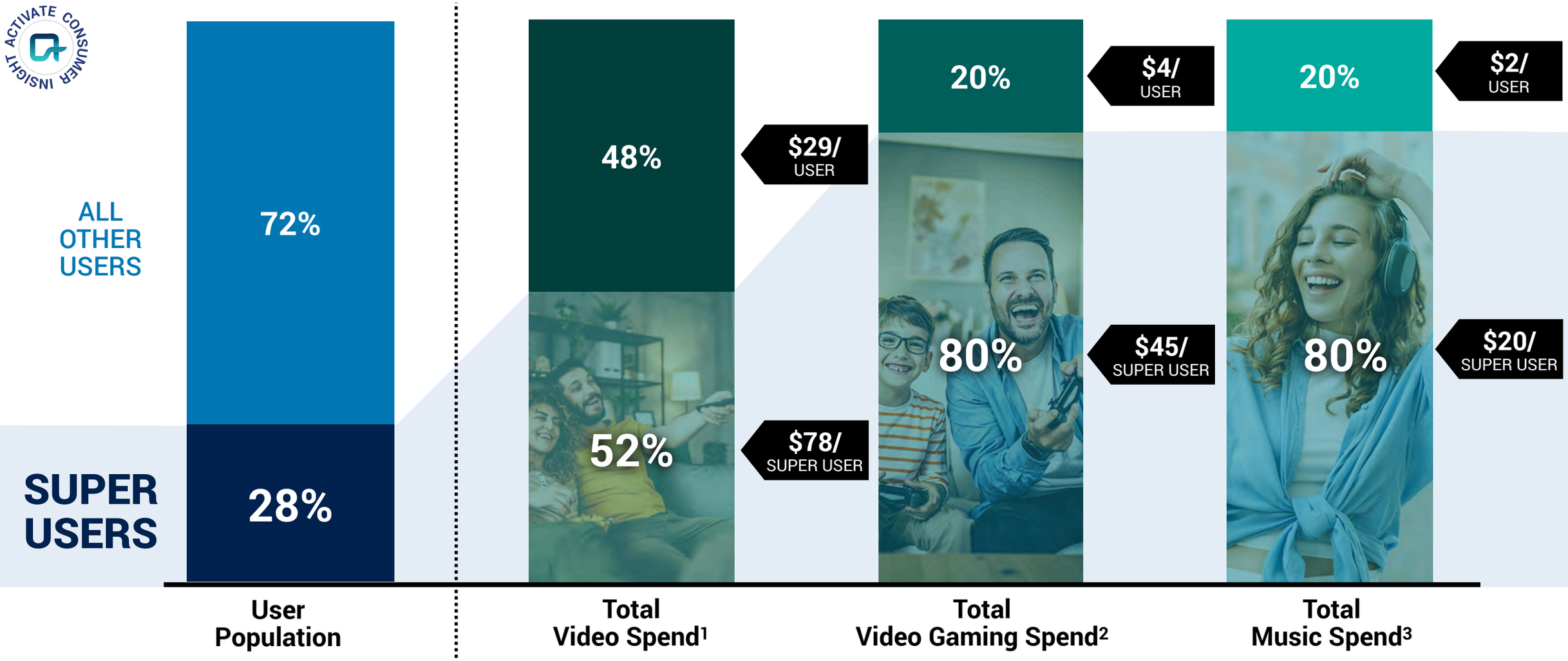


	WATCHING VIDEO	PLAYING VIDEO GAMES	LISTENING TO MUSIC	LISTENING TO PODCASTS[2]	USING SOCIAL MEDIA
SUPER USERS	61%	56%	77%	72%	69%
ALL OTHER USERS	43%	38%	70%	55%	48%

1. "Multitasking" is defined as simultaneously doing another activity, such as working, cleaning, cooking, or exercising. 2. Includes listening to or watching podcasts.
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026)

Super Users consistently spend more dollars across major technology and media activities

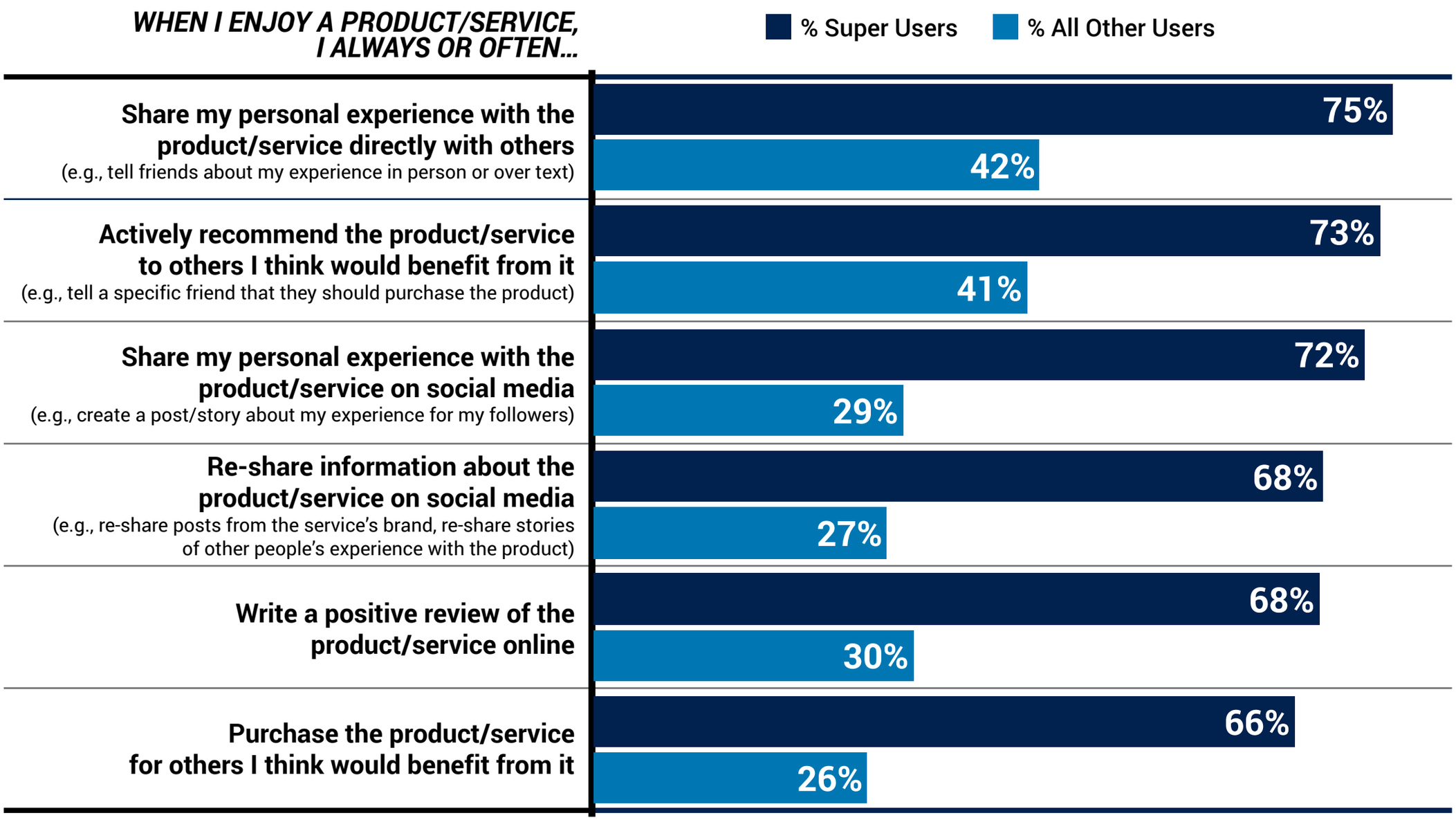
MONTHLY DOLLAR SPEND BY TECHNOLOGY AND MEDIA TYPE,
U.S., 2025E, % ADULTS AGED 18+ / % TOTAL SPEND BY TECHNOLOGY AND MEDIA TYPE / USD PER USER



1. Includes spend on all videos and video services, including traditional/virtual Pay TV, video streaming subscription services, and video purchases/rentals. 2. Includes spend on video games and other video gaming purchases (e.g., in-game purchases, video gaming subscription services) across all devices. Excludes spend on gaming devices and accessories. 3. Includes spend on music and music services.
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026), eMarketer, Goldman Sachs, IFPI, MoffettNathanson, Newzoo, Omdia, PricewaterhouseCoopers, Recording Industry Association of America, S&P Global, SiriusXM, Statista, Wells Fargo

Super Users are strong brand advocates as they are significantly more likely to share their experiences and recommend products/services

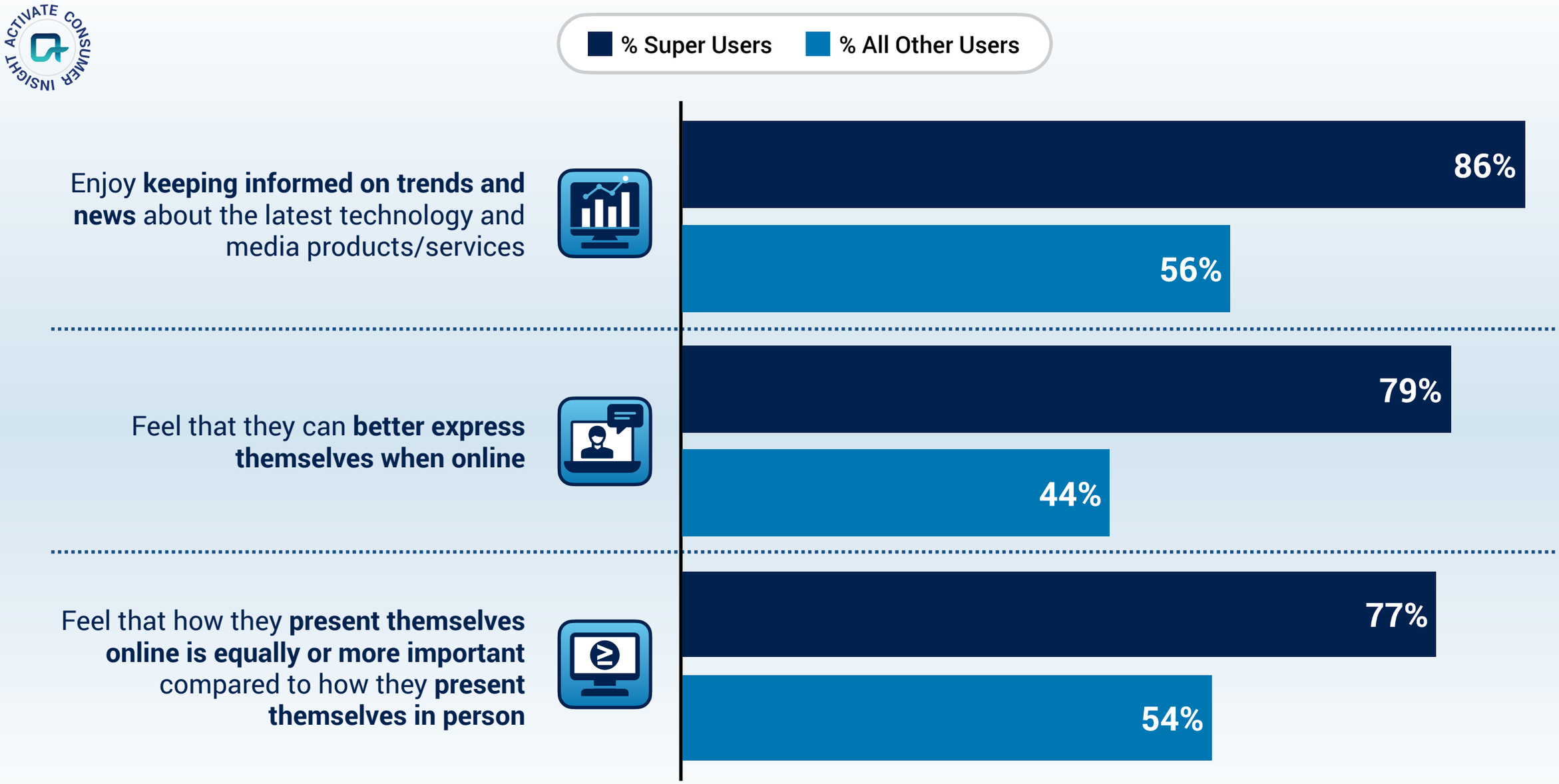
BRAND ADVOCACY BEHAVIORS, U.S., 2025, % ADULTS AGED 18+



Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026)

Super Users put more importance on their digital identities and feel more comfortable online

CONSUMER SENTIMENTS ABOUT DIGITAL IDENTITY, U.S., 2025, % ADULTS AGED 18+

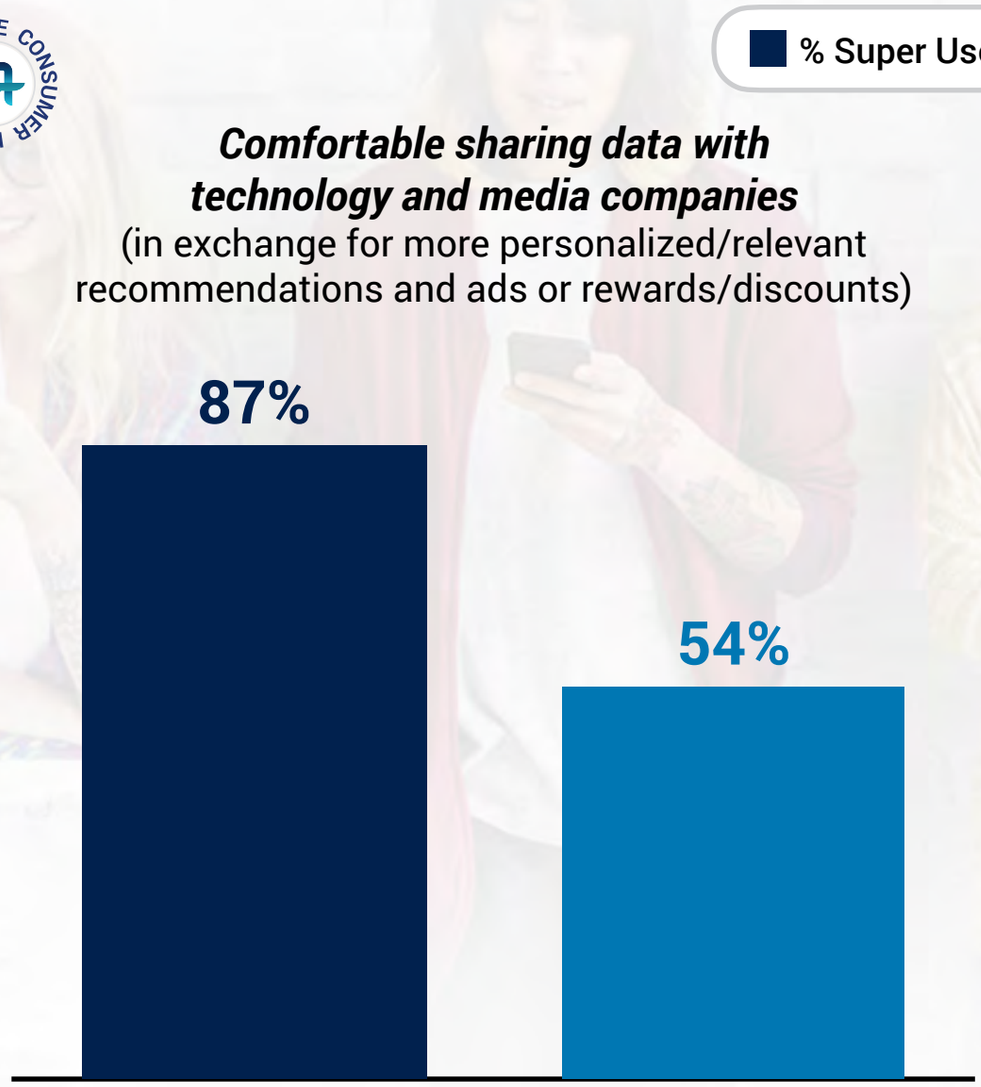


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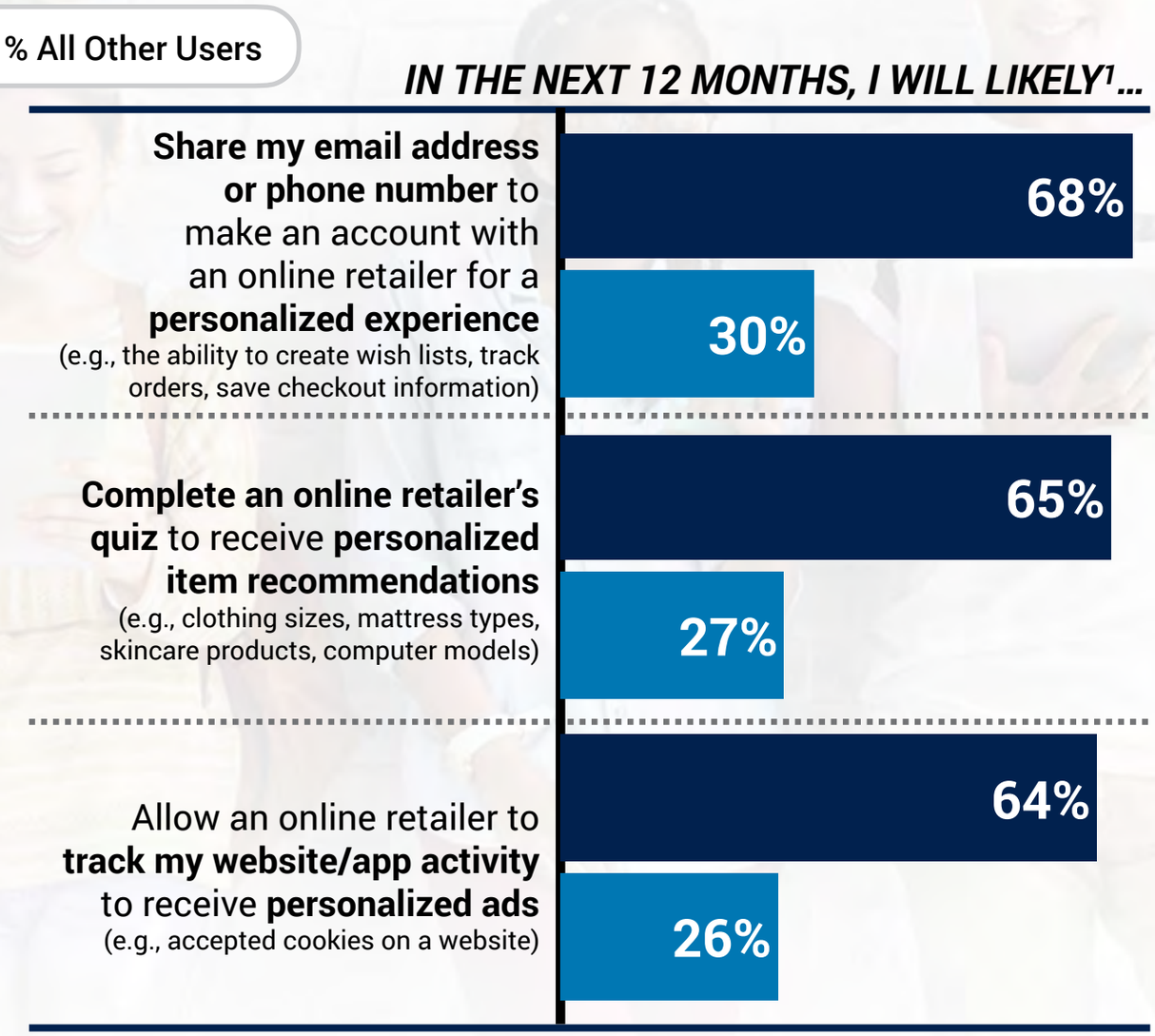
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026)

Super Users are significantly more likely to be comfortable sharing their data with technology and media companies in exchange for benefits

CONSUMER WILLINGNESS TO SHARE DATA WITH TECHNOLOGY AND MEDIA COMPANIES,
U.S., 2025, % ADULTS AGED 18+



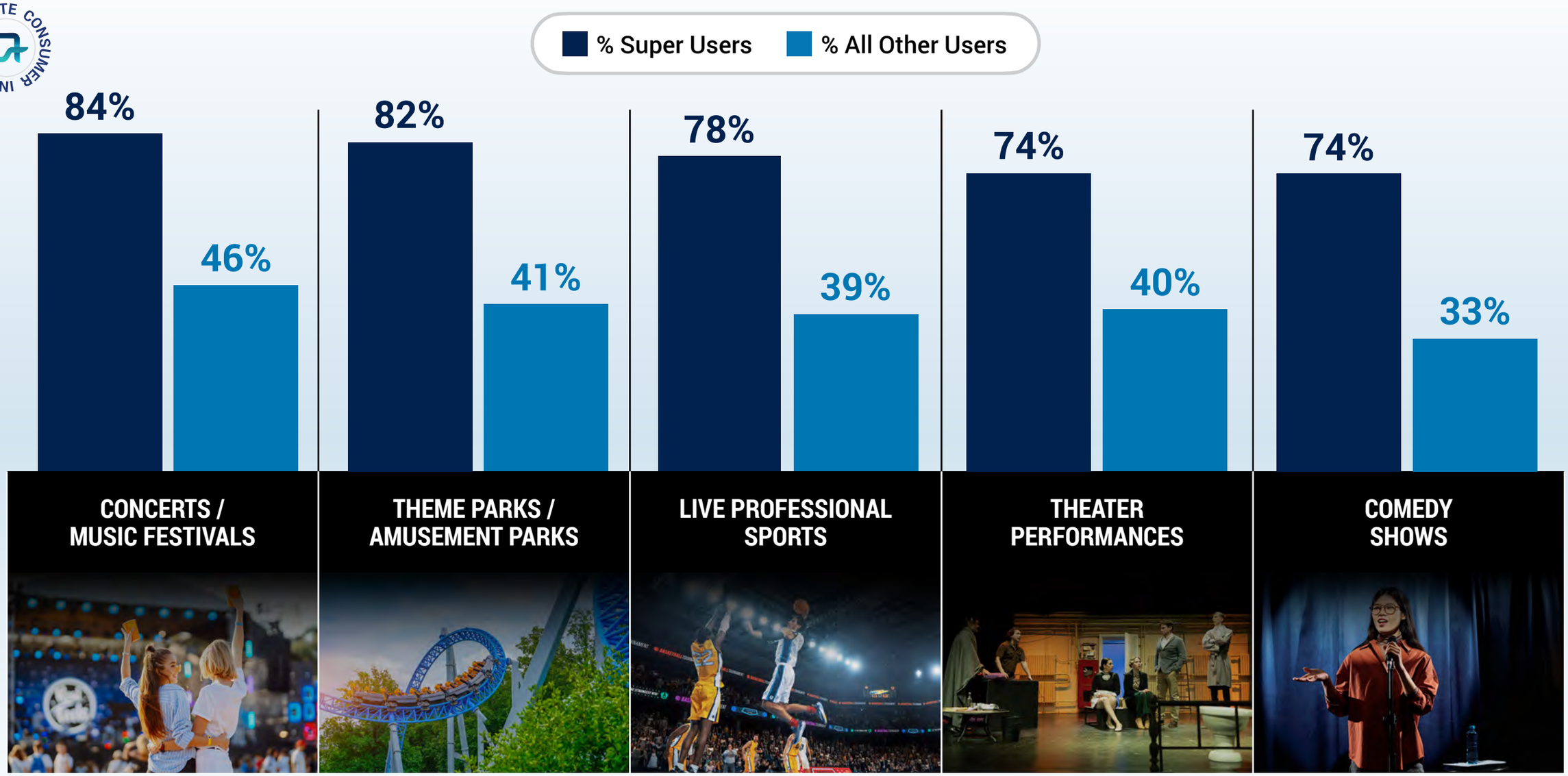
LIKELIHOOD[1] OF SHARING OF PERSONAL INFORMATION WITH ONLINE RETAILERS IN THE NEXT 12 MONTHS,
U.S., 2025, % ONLINE SHOPPERS[2]



1. Includes respondents who indicated they are extremely or very likely. 2. "Online shoppers" are defined as adults aged 18+ who shopped online at least once in the last 12 months. Shopping includes browsing as well as making purchases.
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026)

Beyond technology and media, Super Users attend more live events and experiences

LIVE EVENT / ACTIVITY ATTENDANCE IN THE LAST 12 MONTHS BY TYPE[1], U.S., 2025, % ADULTS AGED 18+

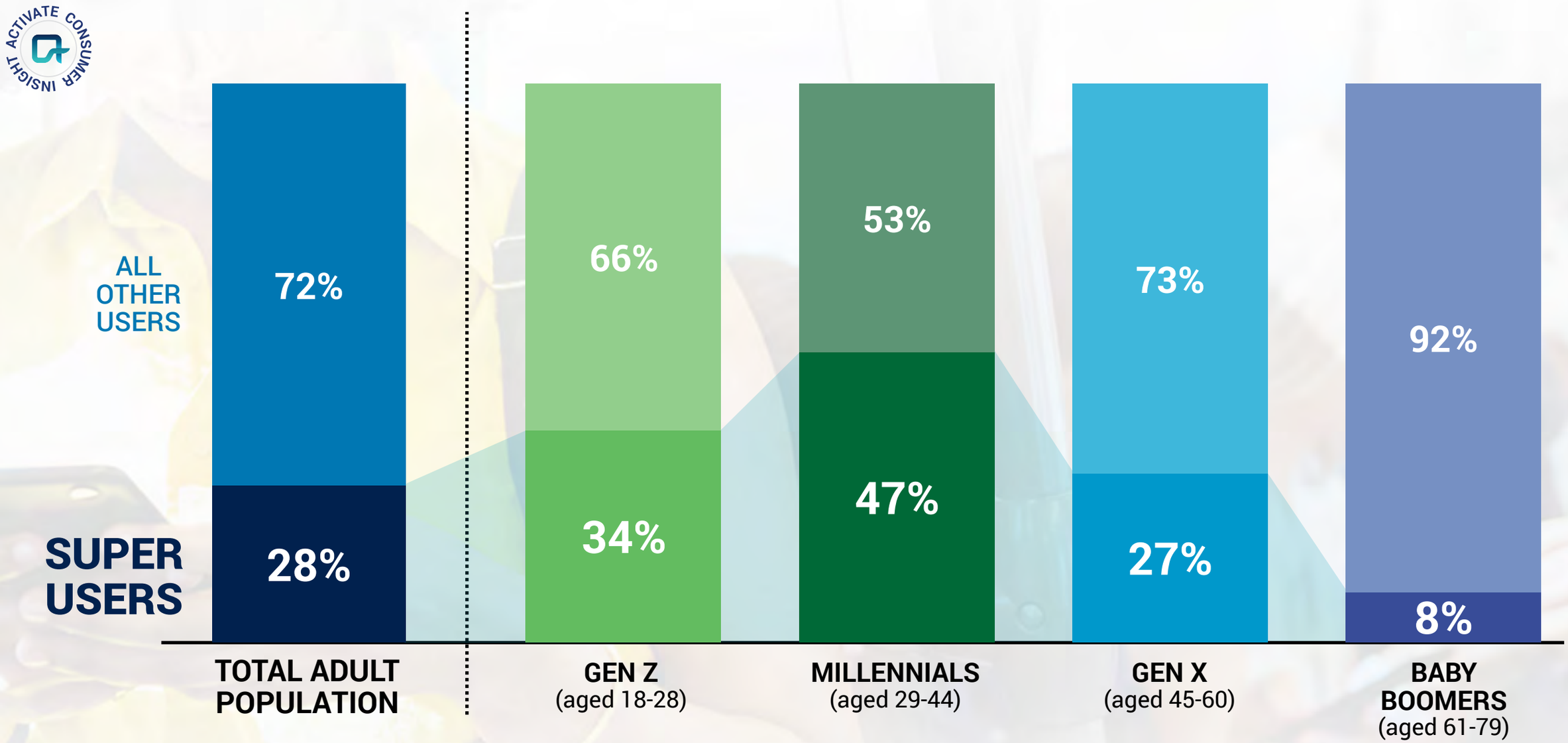


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1. Reflects adults aged 18+ who attended at least one live event / activity in the specified category in the last 12 months.
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026)

Super Users are present across all age cohorts, with higher density in younger generations

SUPER USERS BY GENERATION, U.S., 2025, % ADULTS AGED 18+ / % ADULTS AGED 18+ BY GENERATION



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Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026)



TECHNOLOGY AND MEDIA AGE IDENTITY: AGE IS NO LONGER A NUMBER WHEN PEOPLE USE TECHNOLOGY AND MEDIA

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Age Identity (not just Chronological Age) will be core as technology, internet, and media companies build new products, content, applications, and experiences

As companies build and market consumer products/applications, **Technology and Media Age Identity will provide a more complete lens** into consumer behavior, preferences, and choices

Sophisticated consumer companies in technology, internet, and media will **need to use Age Identity**, alongside **Chronological Age**, as the **foundation for audience targeting**

Our research indicates the **growing gap** between a person's **Chronological Age** and their **Technology and Media Age Identity**

Companies that identify and leverage **Age Identity will gain deeper insight into who their consumers are, how they act, and why**, empowering them to deliver **more personalized, engaging, and effective experiences**

Source: Activate analysis

Based on their technology and media usage, a large number of people above the age of thirty feel and act as if they were considerably younger

AVERAGE DIFFERENCE BETWEEN CHRONOLOGICAL AGE AND TECHNOLOGY/MEDIA AGE IDENTITY BY AGE GROUP, U.S., 2025, YEARS

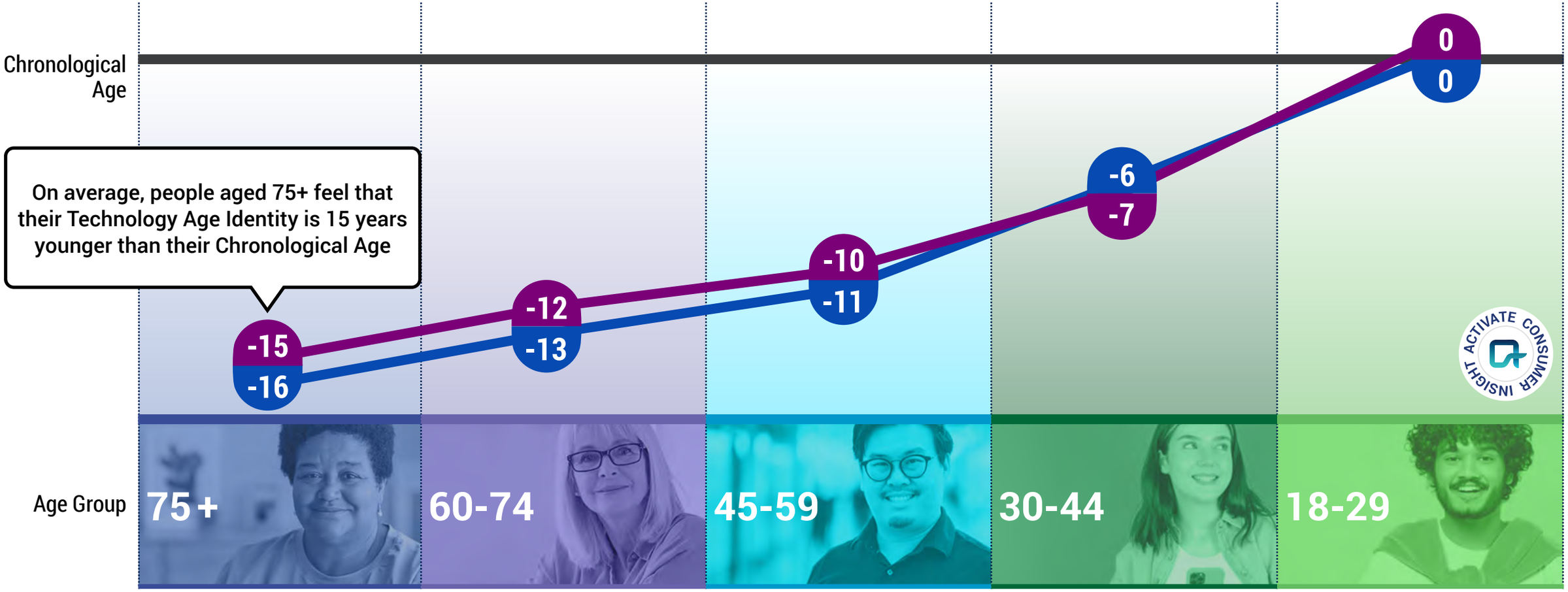
AVERAGE DIFFERENCE BETWEEN CHRONOLOGICAL AGE *AND*

TECHNOLOGY AGE IDENTITY:

How old a consumer feels based on their technology usage and preferences (e.g., upgrading to new devices, prioritizing digital payments over cash, quickly adopting new tools like AI)

MEDIA AGE IDENTITY:

How old a consumer feels based on their media preferences and behaviors (e.g., preferring TikTok videos vs. cable TV, podcasts vs. radio, new releases vs. older classics)



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Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026)

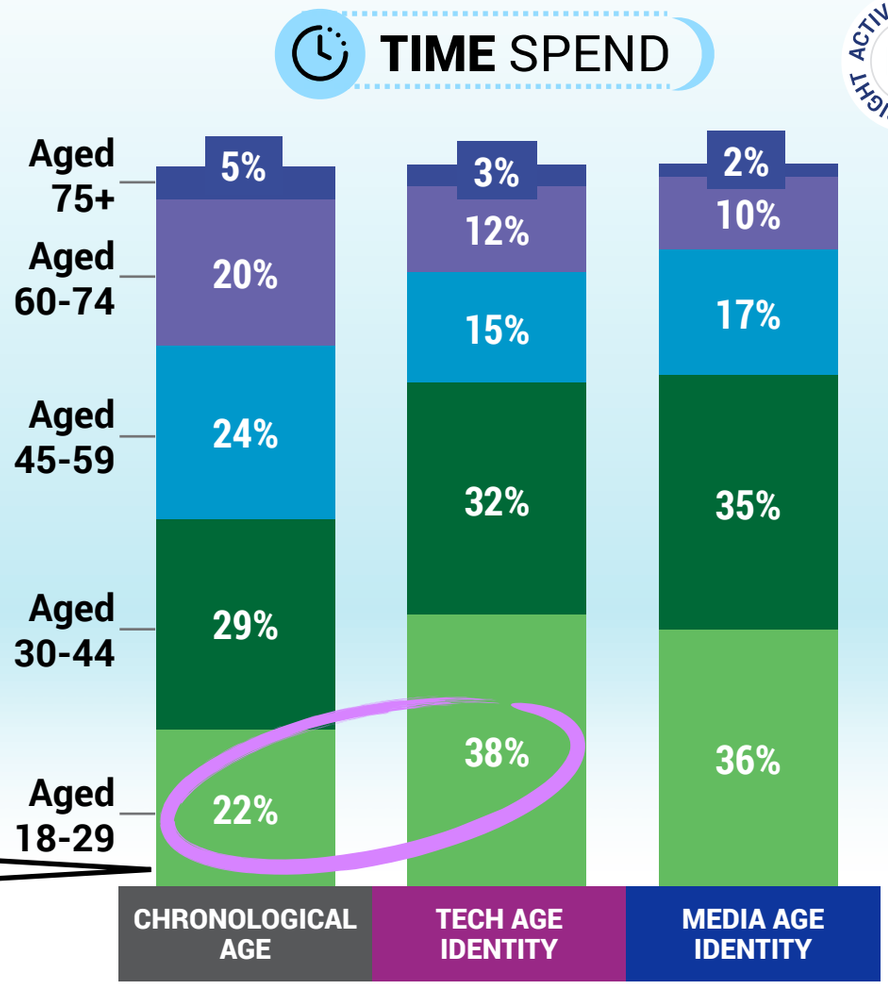
Technology and Media Age Identity is more predictive of consumer behavior and spend than Chronological Age

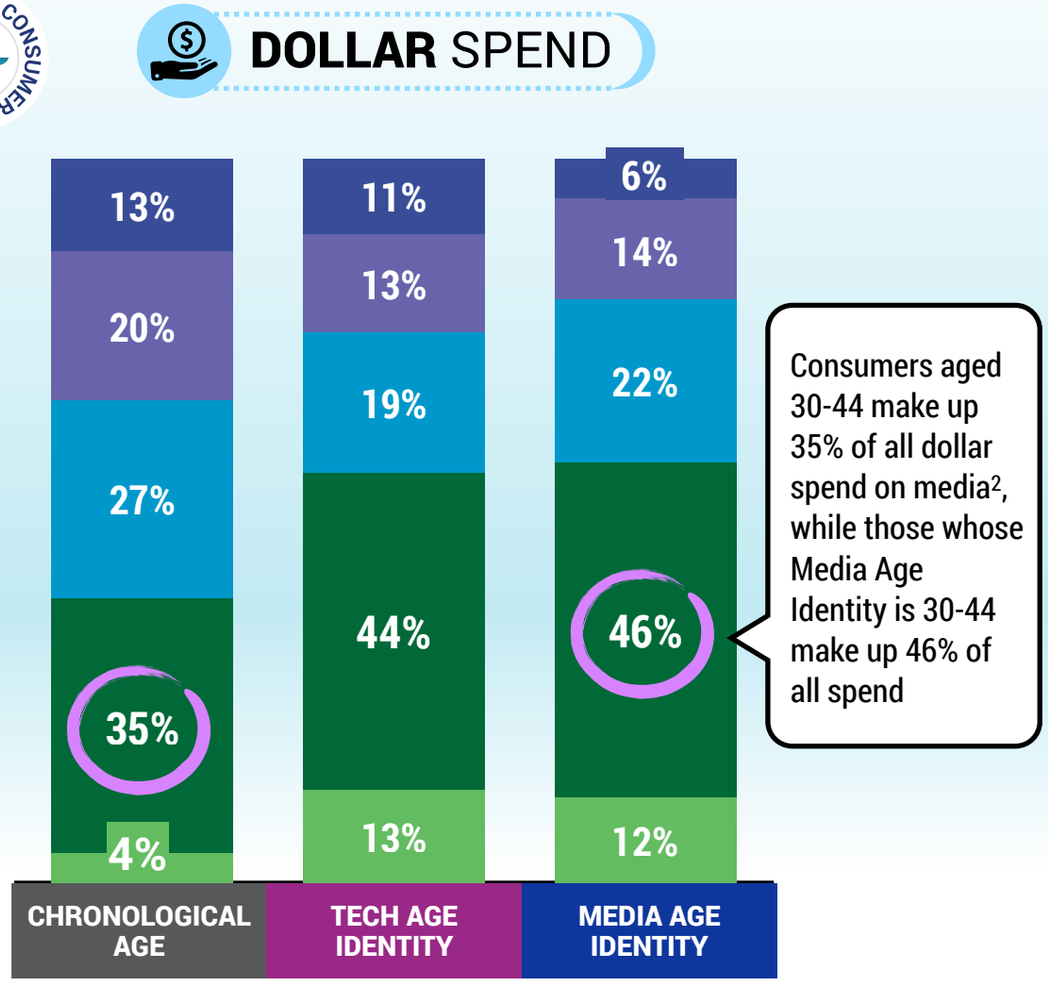
SHARE OF TOTAL TECHNOLOGY AND MEDIA TIME SPEND BY AGE IDENTITY TYPE BY AGE GROUP[1], U.S., 2025, % TOTAL TECHNOLOGY AND MEDIA TIME SPEND[1]

SHARE OF TOTAL MEDIA DOLLAR SPEND BY AGE IDENTITY TYPE BY AGE GROUP[2], U.S., 2025, % TOTAL MEDIA DOLLAR SPEND[2]

TECHNOLOGY AGE IDENTITY:
How old a consumer feels based on their technology usage and preferences

MEDIA AGE IDENTITY:
How old a consumer feels based on their media preferences and behaviors





Consumers aged 18-29 make up 22% of total time spend on technology and media[1], while those whose Technology Age Identity is 18-29 make up 38% of time spend

Consumers aged 30-44 make up 35% of all dollar spend on media[2], while those whose Media Age Identity is 30-44 make up 46% of all spend

1. Includes time spent watching video, playing video games, listening to music, listening and watching podcasts, and using social media. 2. Figures do not sum to 100% due to rounding. Includes spend on all videos and video services, including traditional/virtual Pay TV, video streaming subscription services, and video purchases/rentals. Includes spend on video games and other video gaming purchases (e.g., in-game purchases, video gaming subscription services) across all devices. Excludes spend on gaming devices and accessories. Includes spend on music and music services.
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026), Alliance for Audited Media, Company filings, Comscore, Conviva, data.ai, Dentsu International, eMarketer, Gallup, Goldman Sachs, GWI, IBISWorld, IFPI, Interactive Advertising Bureau, MoffettNathanson, Music Biz, National Sleep Foundation, Newzoo, Nielsen, NPD Group, Omdia, Pew Research Center, PricewaterhouseCoopers, Recording Industry Association of America, S&P Global, SiriusXM, Statista, U.S. Bureau of Labor Statistics, Wells Fargo, WPP Media YouGov, Zenith Media

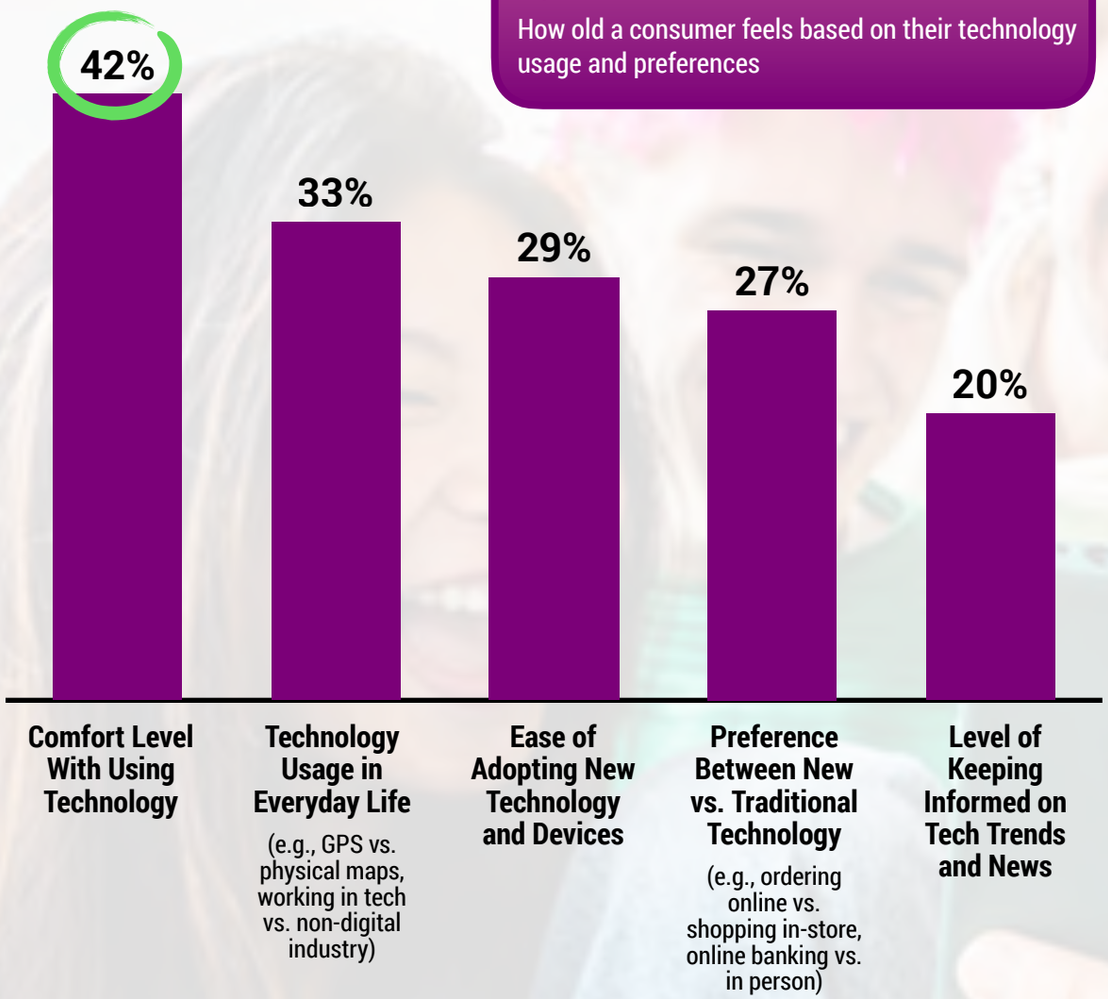
Comfort level with technology is the largest factor contributing to Technology Age Identity; preferred content genres and media channels have the highest impact on Media Age Identity

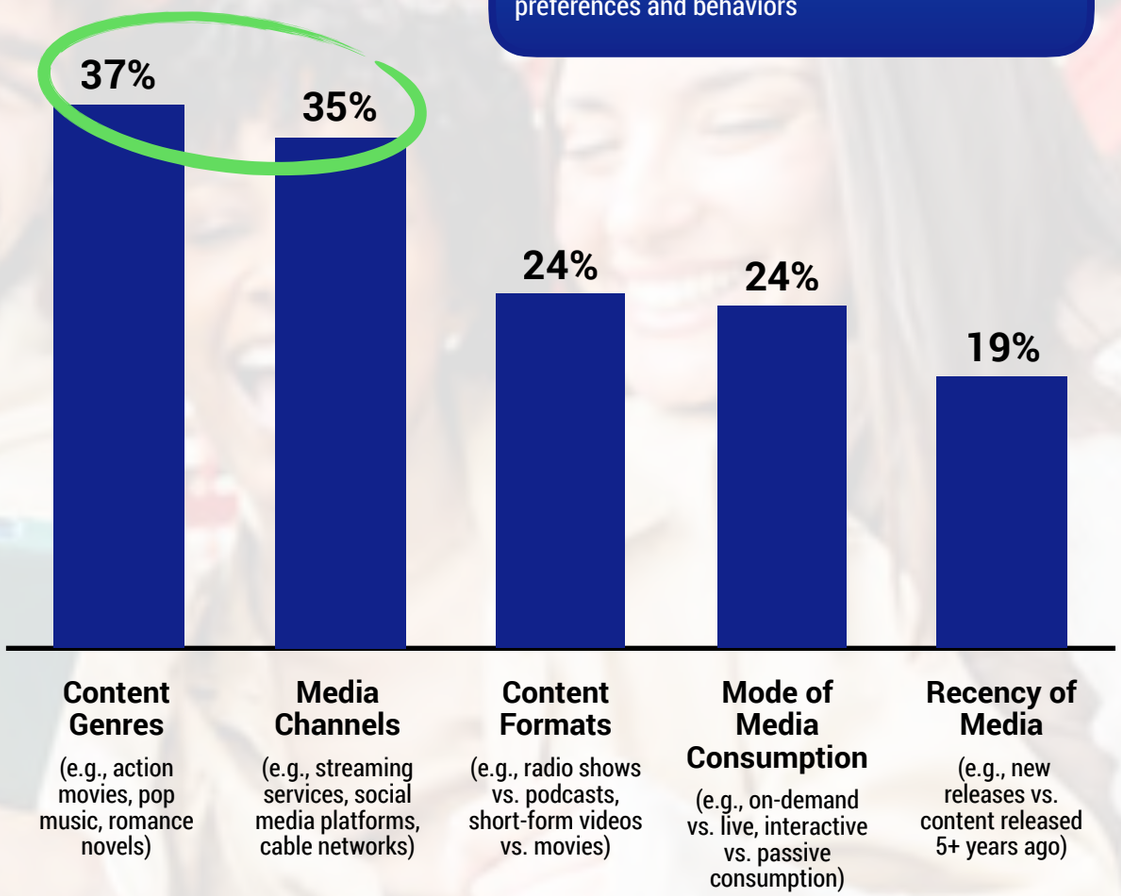
TOP FACTORS[1] INFORMING PERCEIVED TECHNOLOGY AGE IDENTITY, U.S., 2025, % ADULTS AGED 18+

TOP PREFERENCES[1] INFORMING PERCEIVED MEDIA AGE IDENTITY, U.S., 2025, % ADULTS AGED 18+

TECHNOLOGY AGE IDENTITY:
How old a consumer feels based on their technology usage and preferences

MEDIA AGE IDENTITY:
How old a consumer feels based on their media preferences and behaviors





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1. Respondents were asked to select up to two top reasons.
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026)

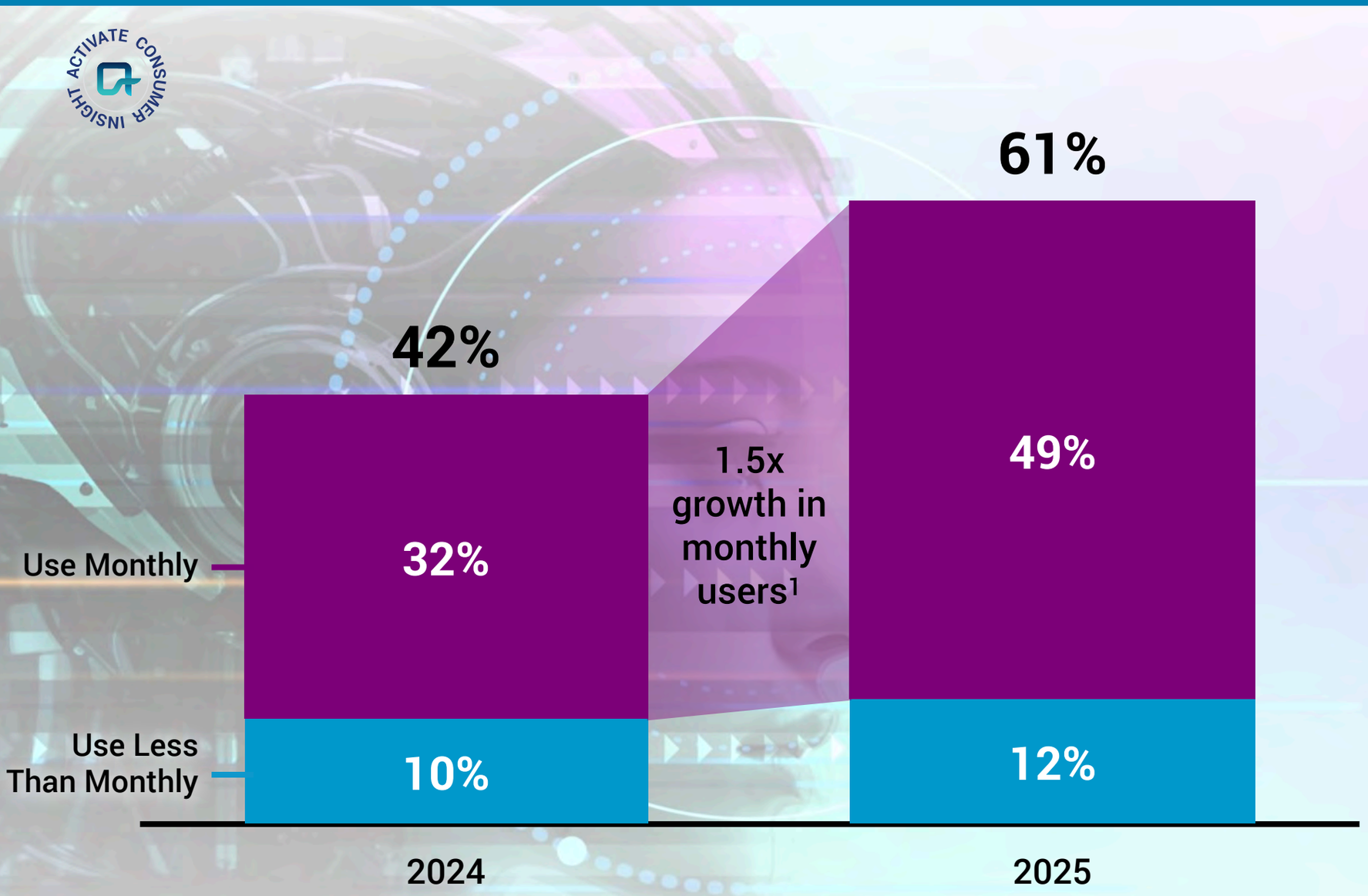


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AI SEARCH: DOES THE WEB REALLY HAVE A NEW FRONT DOOR?

Over 60% of U.S. adults are now using generative AI platforms

GENERATIVE AI USAGE BY FREQUENCY, U.S., 2024 VS. 2025, % ADULTS AGED 18+



EXAMPLE GENERATIVE AI PLATFORMS

CHATBOTS

ChatGPT Copilot

IMAGE CREATION

Adobe Firefly Midjourney

VIDEO CREATION

Sora Google Veo

MUSIC CREATION

SUNO udio

1. "Monthly users" are defined as adults aged 18+ who use at least one generative AI platform at least once per month.
Sources: Activate analysis, Activate 2024 Consumer Technology & Media Research Study (n = 4,004), Activate 2025 Consumer Technology & Media Research Study (n = 4,026)

Practically every U.S. internet user will be a generative AI user

ADOPTION OF DIGITAL BEHAVIORS, U.S., 2025, MILLIONS ADULTS AGED 18+

Increasing Adoption

GENERATIVE AI
128M
U.S. ADULTS
USE GENERATIVE AI MONTHLY

VIDEO
199M
U.S. ADULTS
USE PAID VIDEO STREAMING SERVICES MONTHLY

SOCIAL MEDIA
217M
U.S. ADULTS
USE SOCIAL MEDIA SERVICES MONTHLY

MUSIC
185M
U.S. ADULTS
USE MUSIC STREAMING SERVICES MONTHLY

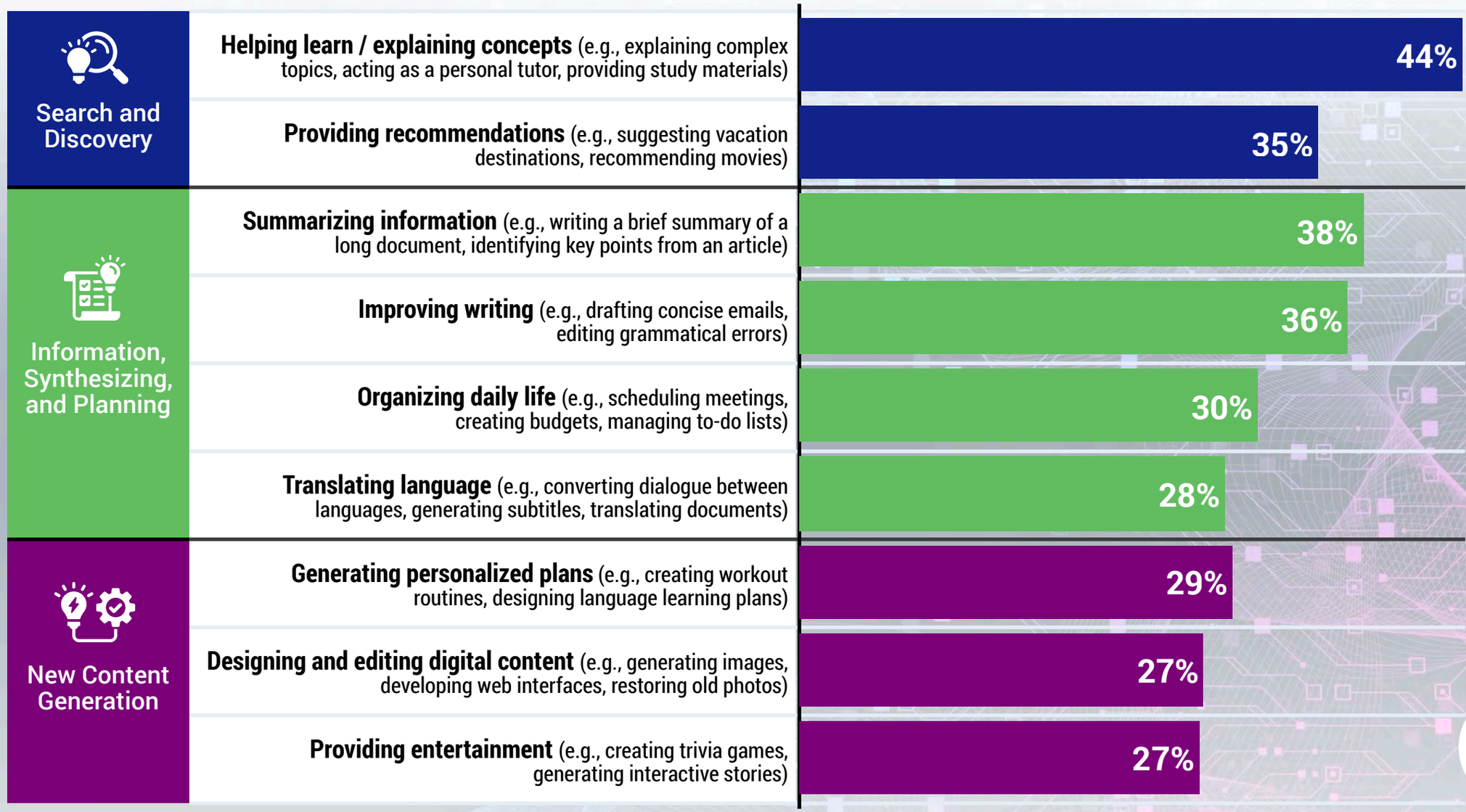
ECOMMERCE
215M
U.S. ADULTS
SHOP ON ECOMMERCE PLATFORMS MONTHLY[1]

- In the three years since ChatGPT's launch, generative AI usage has seen **rapid growth to 128M monthly adult users (+45M YoY)**
- Generative AI is on track to become a **leading digital behavior**, as we project it will reach the **entire internet population in the next 5 years**

1. Includes adults aged 18+ who shop online monthly and made at least one online purchase in the last 12 months.
Sources: Activate analysis, Activate 2024 Consumer Technology & Media Research Study (n = 4,004), Activate 2025 Consumer Technology & Media Research Study (n = 4,026), U.S. Census Bureau

Generative AI platforms will increasingly serve a variety of use cases

GENERATIVE AI USE CASES, U.S., 2025, % MONTHLY GENERATIVE AI USERS[1]



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1. "Monthly generative AI users" are defined as adults aged 18+ who use at least one generative AI platform at least once per month.
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026)

Many users are turning to a dedicated generative AI platform for exploration and direct inquiry; users continue to prefer traditional search platforms for navigation

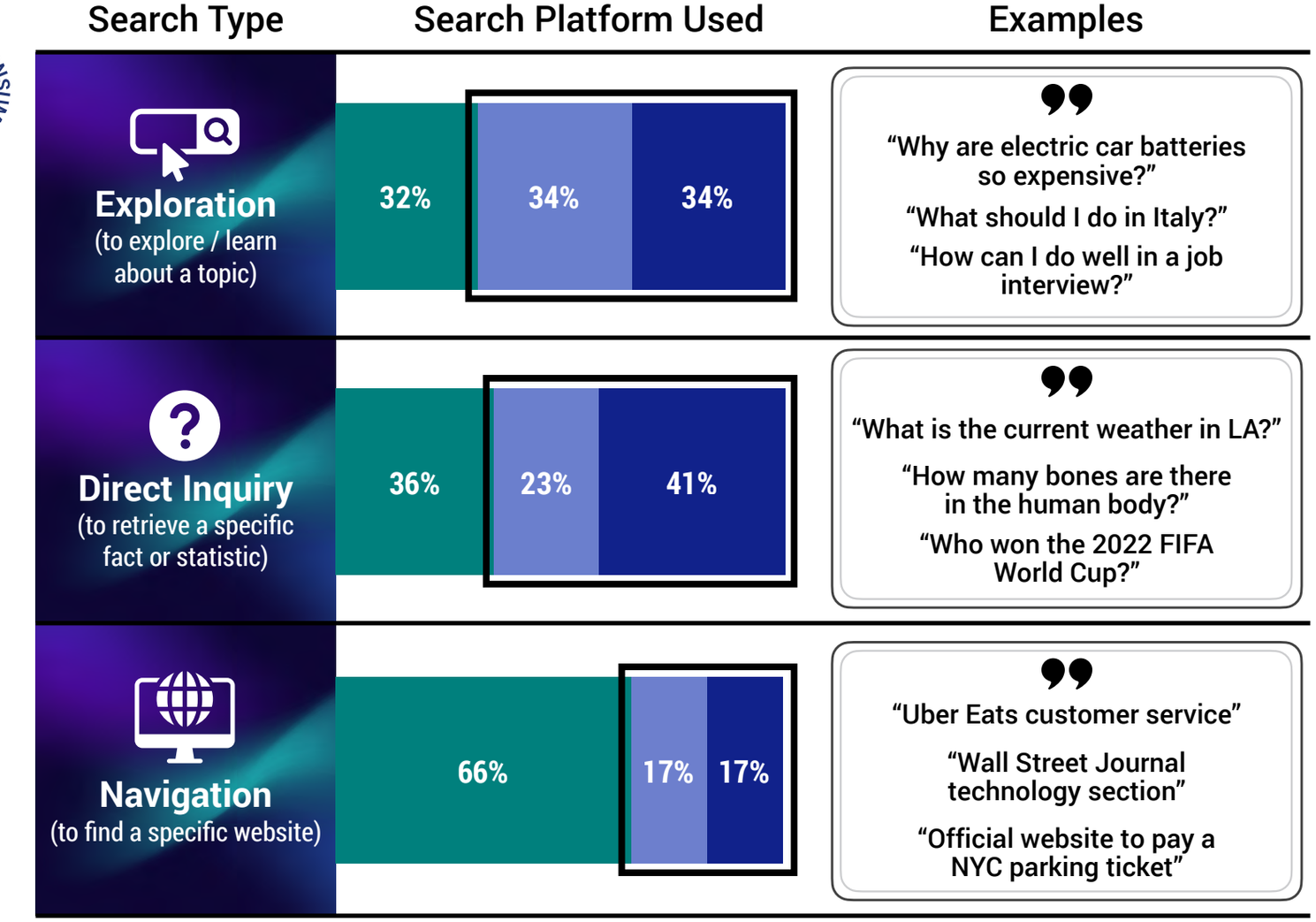
MONTHLY USAGE OF GENERATIVE AI AND TRADITIONAL SEARCH PLATFORMS, U.S., 2025, % ADULTS AGED 18+



of U.S. adults search on **both traditional and generative AI search platforms** at least monthly

Traditional Search Platforms	Generative AI Search Platforms
Google	ChatGPT, Claude
Bing	Copilot, Gemini
yahoo!	perplexity, Grok, Meta AI

SEARCH PLATFORM TYPICALLY USED BY SEARCH TYPE, U.S., 2025, % MONTHLY USERS OF BOTH GENERATIVE AI AND TRADITIONAL SEARCH PLATFORMS[1]



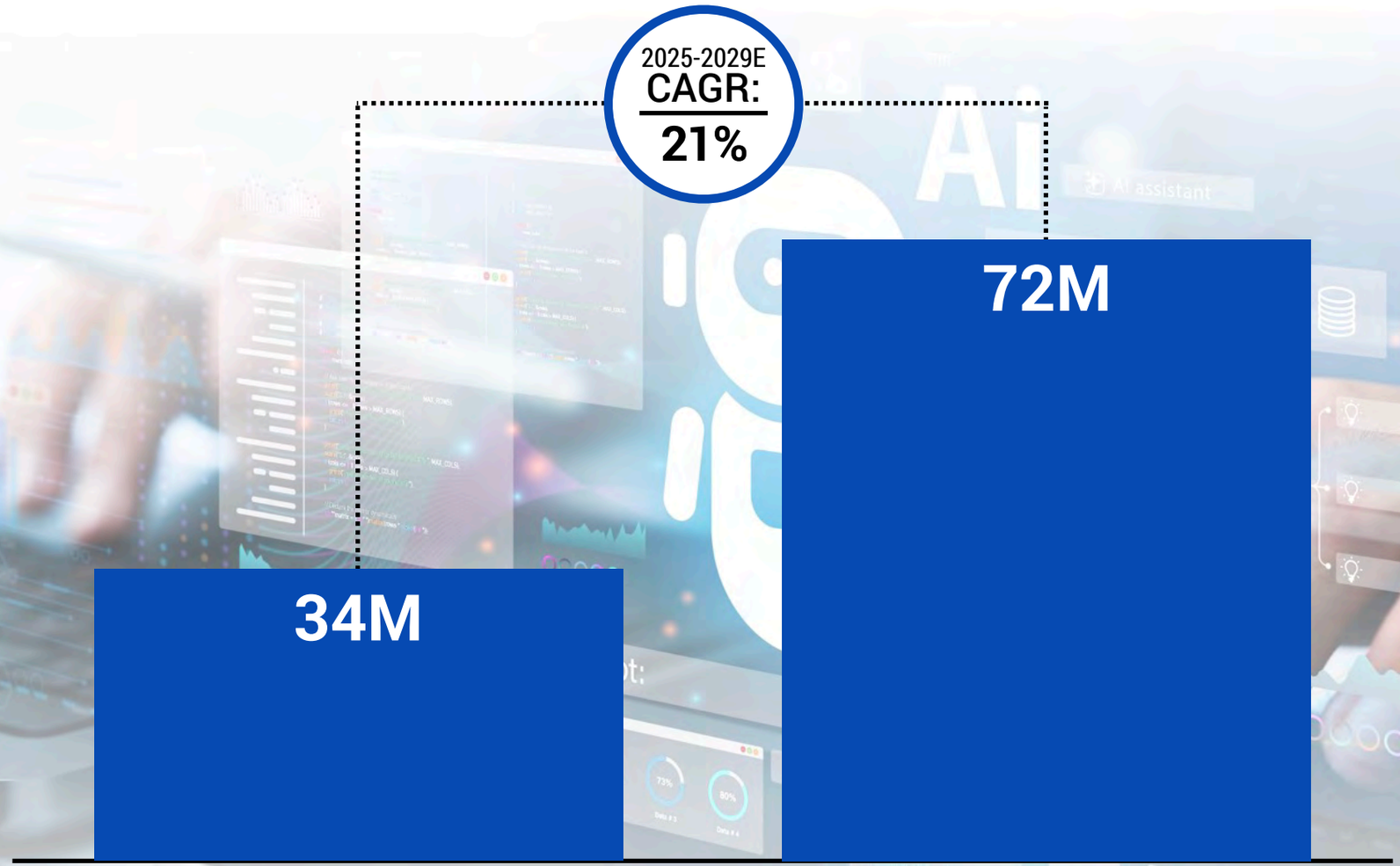
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1. "Monthly users of both generative AI and traditional search platforms" are defined as adults aged 18+ who use at least one generative AI search tool and one traditional search tool at least once per month.
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026)

By 2029, a dedicated generative AI platform will be the first online search stop for 72M U.S. adults

USAGE OF GENERATIVE AI AS A FIRST STOP FOR ONLINE SEARCH[1], U.S., 2025 VS. 2029E, MILLIONS ADULTS AGED 18+

ACTIVATE FORECAST



1. “Usage of generative AI as a first stop for online search” is defined as typically starting the search process with a generative AI search service when looking for information online. Excludes generative AI overviews displayed in traditional search engine results.
Sources: Activate analysis, Activate 2024 Consumer Technology & Media Research Study (n = 4,004), Activate 2025 Consumer Technology & Media Research Study (n = 4,026), Semrush, U.S. Census Bureau

Rather than replacing traditional search engines, AI services expand the search journey by guiding users from ideation through planning — stages that typically require thought and decision making

THE NEW CONSUMER SEARCH JOURNEY

AI Search

Traditional Search

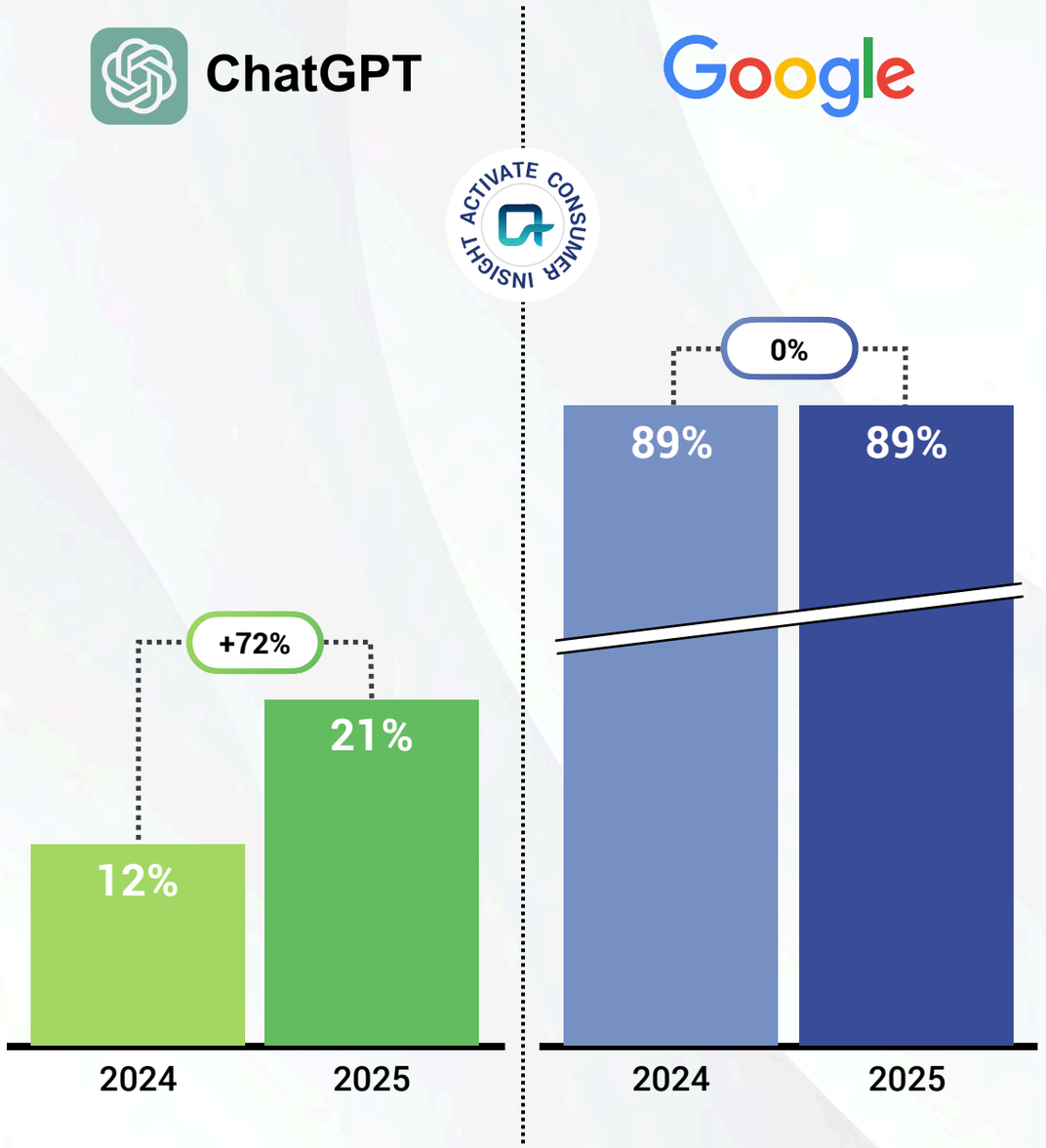
Search Journey Step:	1 IDEATION	2 RESEARCH	3 PROCESSING & PLANNING
	Brainstorming and Concept Development	*Detail Gathering and Validation*	*Synthesis and Refinement*
Preferred Platform:	AI Search: **Generates initial ideas aligned with user goals, eliminating the need for time-consuming manual brainstorming**	Traditional Search: **Delivers real-time, verifiable information and facilitates access to multiple trusted sources for different perspectives**	AI Search: **Synthesizes findings into streamlined, actionable plans with minimal effort from the user**
Example: *Vacation Planning*	**First, the consumer uses an AI search tool to brainstorm vacation ideas that fit their specifications** *"Give me ideas for a week-long European vacation for a couple that loves art and hiking"*	**Next, the consumer uses a traditional search engine to find up-to-date information on vacation specifics** *"Flights from JFK to CDG"* *"Hotels near Gare de Lyon"* *"Louvre Museum hours"* *"Paris to Fontainebleau train times"*	**Last, the consumer returns to an AI search tool that consolidates all available information and provides a polished travel itinerary** *"Build me a full 7-day itinerary for the week I am in France given the museum hours and train times I found"*

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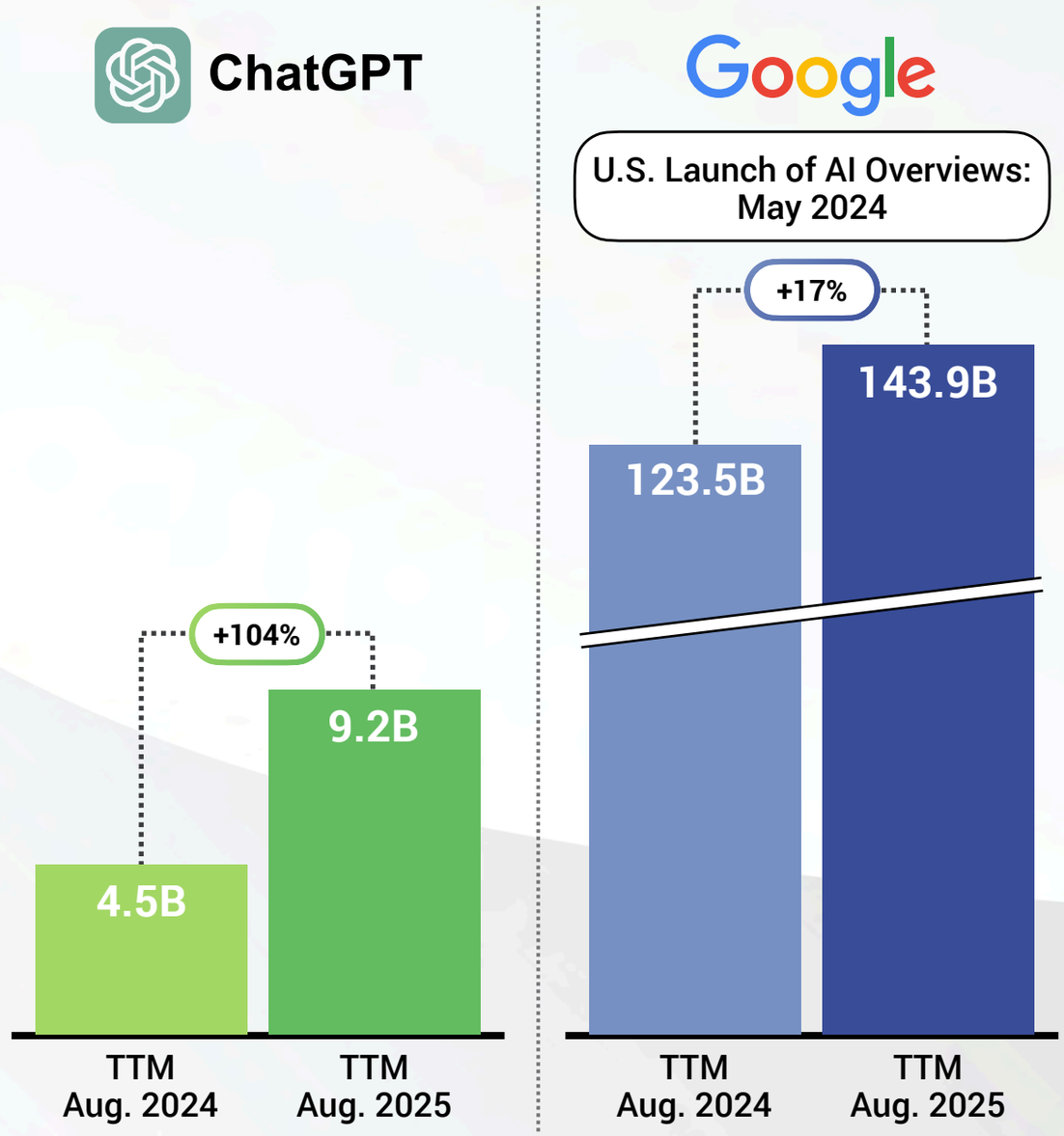
Source: Activate analysis

Despite ChatGPT's skyrocketing traffic, Google has maintained its scale and actually increased visits since it launched AI overviews at the top of each search result

MONTHLY USAGE OF SEARCH TOOLS,
U.S., 2024 VS. 2025, % ADULTS AGED 18+



DESKTOP AND MOBILE VISITS TO SEARCH SITES,
U.S., TTM AUG. 2024 VS. TTM AUG. 2025, BILLIONS VISITS



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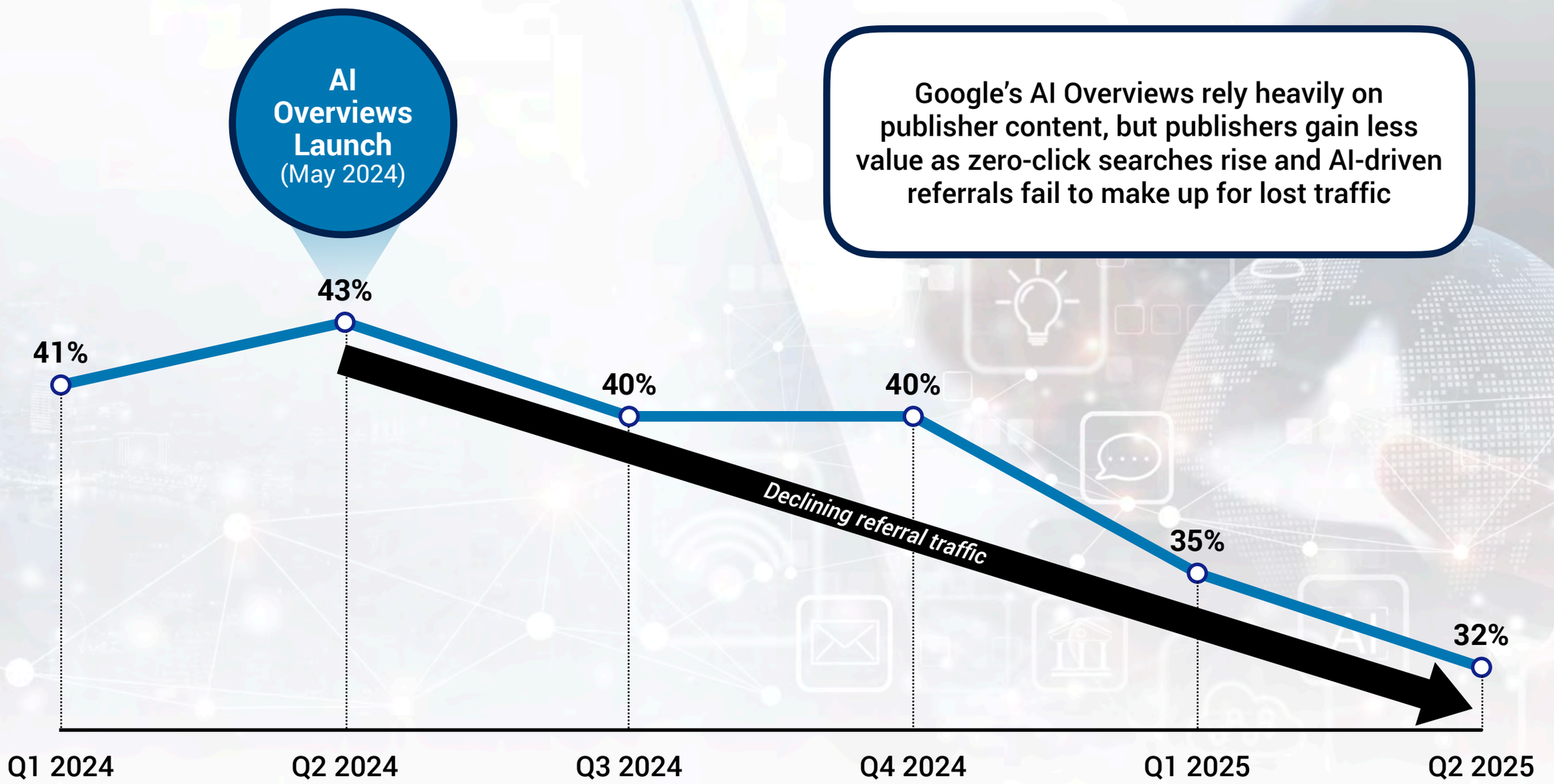
Sources: Activate analysis, Activate 2024 Consumer Technology & Media Research Study (n = 4,004), Activate 2025 Consumer Technology & Media Research Study (n = 4,026), Semrush

By delivering direct answers through AI overviews, Google is reducing click-through to publisher sites, posing a significant challenge for publishers

ESTIMATED SHARE OF GOOGLE SEARCHES RESULTING IN CLICKS[1], U.S., Q1 2024-Q2 2025E, % GOOGLE SEARCHES

AI Overviews Launch (May 2024)

Google's AI Overviews rely heavily on publisher content, but publishers gain less value as zero-click searches rise and AI-driven referrals fail to make up for lost traffic



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1. "Google searches resulting in clicks" refers to users clicking on a website link rather than exiting the tab after a search.
Sources: Activate analysis, Similarweb

To counter Google's decline in referral traffic, publishers will strike licensing and revenue-sharing deals directly with AI services or work through marketplaces to receive fair compensation for their content

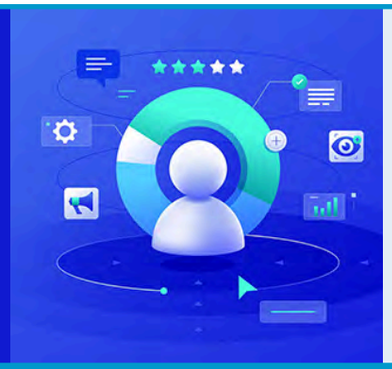
CONTENT PARTNERSHIP STRUCTURES

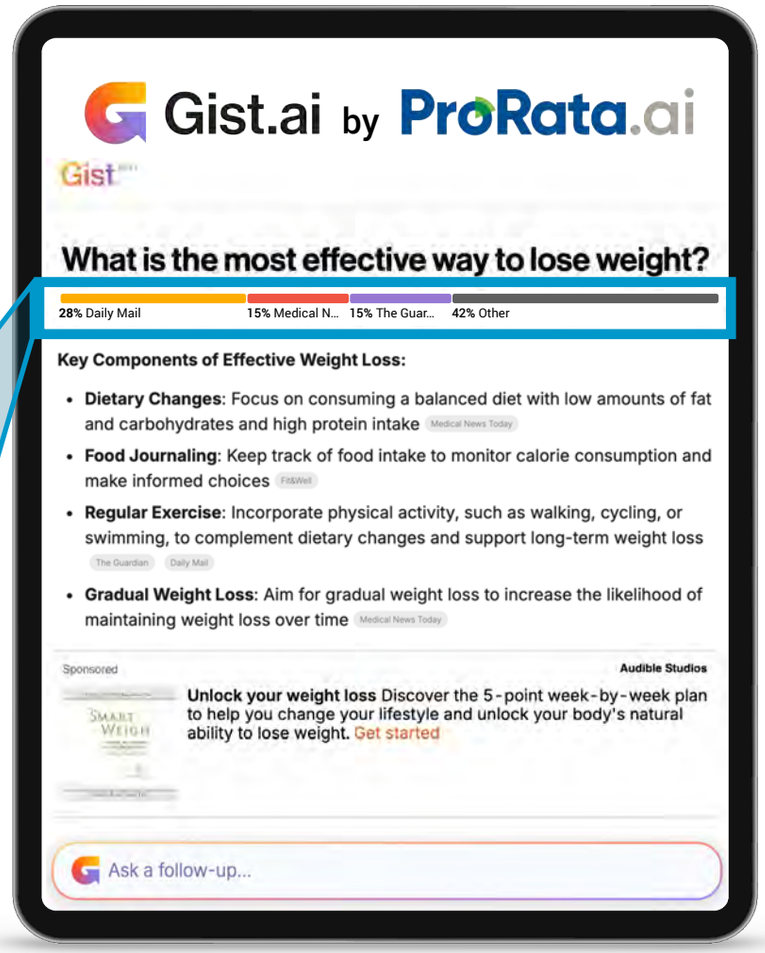
	LICENSING AGREEMENTS	REVENUE SHARING AGREEMENTS
Commercial Model	AI companies pay **fixed or variable licensing fees** for access to publisher content	Revenue generated by AI companies from the use of publisher content is **shared between companies**
Revenue Basis	Access rights **priced on scope of use** (training vs. Retrieval-Augmented Generation), **content types**, and **exclusivity**	Share defined by **subscriptions attributed** or **query coverage**
Attribution & Branding	Usage of citations **typically not included** in deal	Citations with link-outs **typically mandatory**, with prominence and placement guarantees included in negotiations
EXAMPLE PARTNERSHIPS[1]	amazon, Condé Nast, Hearst, The New York Times; Microsoft, Hearst, Reuters, USA TODAY; OpenAI, People Inc., AP, Hearst, Future, Prisa Media USA, Condé Nast, Vox, The Washington Post, Axios, TIME, The Atlantic; Google, AP; Meta, Reuters	perplexity, The Independent, Fortune, Prisa Media USA, TIME; ProRata.ai, The Atlantic, TIME, Future, Fortune, HELLO!, Vox, Prisa Media USA, Universal, UMG

1. Not exhaustive.
Sources: Activate analysis, Axios, Company sites, Comscore

An ecosystem of third parties is emerging to help publishers with licensing and attribution

AI LICENSING & ATTRIBUTION SOLUTIONS

SOLUTION		DESCRIPTION	EXAMPLE COMPANIES
AI CONTENT MARKETPLACE		Platforms that broker deals for training AI models and displaying content in AI responses[1]	CCC Copyright Clearance Center TOLLBIT Human Native
ATTRIBUTION TRACKING & REVENUE SHARING		Tools that monitor content usage, ensure proper attribution, and facilitate revenue distribution	ProRata.ai INCANTOR
AI BOT SCRAPING DETECTION & MONETIZATION		Solutions that detect AI agents scraping publisher content and facilitate monetization	TOLLBIT × HUMAN CLOUDFLARE



ProRata Value Proposition

- Transparent attribution showing each source's contribution
- In-line citations with direct links for easy source verification
- Contextual ads placed where user engagement is highest

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1. Microsoft is reported to be developing a publisher content marketplace.
Sources: Activate analysis, Axios, Company sites

AI search visitors are typically more valuable, prompting publishers to explore Generative Engine Optimization (GEO) alongside Search Engine Optimization (SEO)

VALUE OF LLM USERS

- **Higher purchase intent:** Visitors from LLMs often arrive with a clear goal or question, indicating they are further down the decision funnel
- **Greater engagement:** Because LLM-driven answers are context-rich, users are more likely to engage with relevant content, rather than leave immediately
- **Enhanced trust and authority:** Being featured in LLM responses signals authority, which can increase user confidence and conversion likelihood

	SEO *(SEARCH ENGINE OPTIMIZATION)*	GEO *(GENERATIVE ENGINE OPTIMIZATION)*
DESCRIPTION	The practice of **optimizing web content** to rank higher in **traditional search engine result pages (SERPs)** such as Google and Bing	The emerging and nascent practice of **optimizing content for AI-driven search experiences** (e.g., Google AI Overviews, ChatGPT, Perplexity)
GOAL	Increase organic traffic by **improving visibility for relevant keywords**	Ensure content is **cited, linked, or included in generative AI responses**
MAIN TACTICS	**Keyword research, backlink building, content quality/relevance, technical SEO** (e.g., site speed)	**Adding structured metadata** (e.g., “FAQ,” “How To”) **and fact-based answers to common questions, formatting content for AI summarization** (e.g., bullet points, headings), **optimizing for conversational queries**

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Source: Activate analysis

Third parties will continue to enter the market to help publishers and brands manage Generative Engine Optimization (GEO) programs

GENERATIVE ENGINE OPTIMIZATION SOLUTIONS

GEO PERFORMANCE MONITORING

Tracks brand visibility and engagement across AI platforms (e.g., mentions, share-of-voice, prompts, sentiment, citation tracking)

algomizer, AthenaHQ, botify, Brandlight, Gauge, Geostar, gumshoe, Hall, Limy, Profound

AI SOURCE & AGENT INTELLIGENCE

Identifies the source types (e.g., editorials, brand sites, blogs) and bot crawling patterns that shape AI responses

algomizer, Evertune, Gauge, Geostar, gumshoe, Hall, Profound

GEO CONTENT OPTIMIZATION

Improves content for AI discoverability and citation (e.g., structured content, templates, publishing tools)

algomizer, AthenaHQ, botify, Brandlight, Gauge, Limy, Profound

GEO MARKETING INTEGRATION

Connects AI visibility and engagement data to broader marketing ecosystems to assist with campaigns (e.g., CMS, GA4, BI tools)

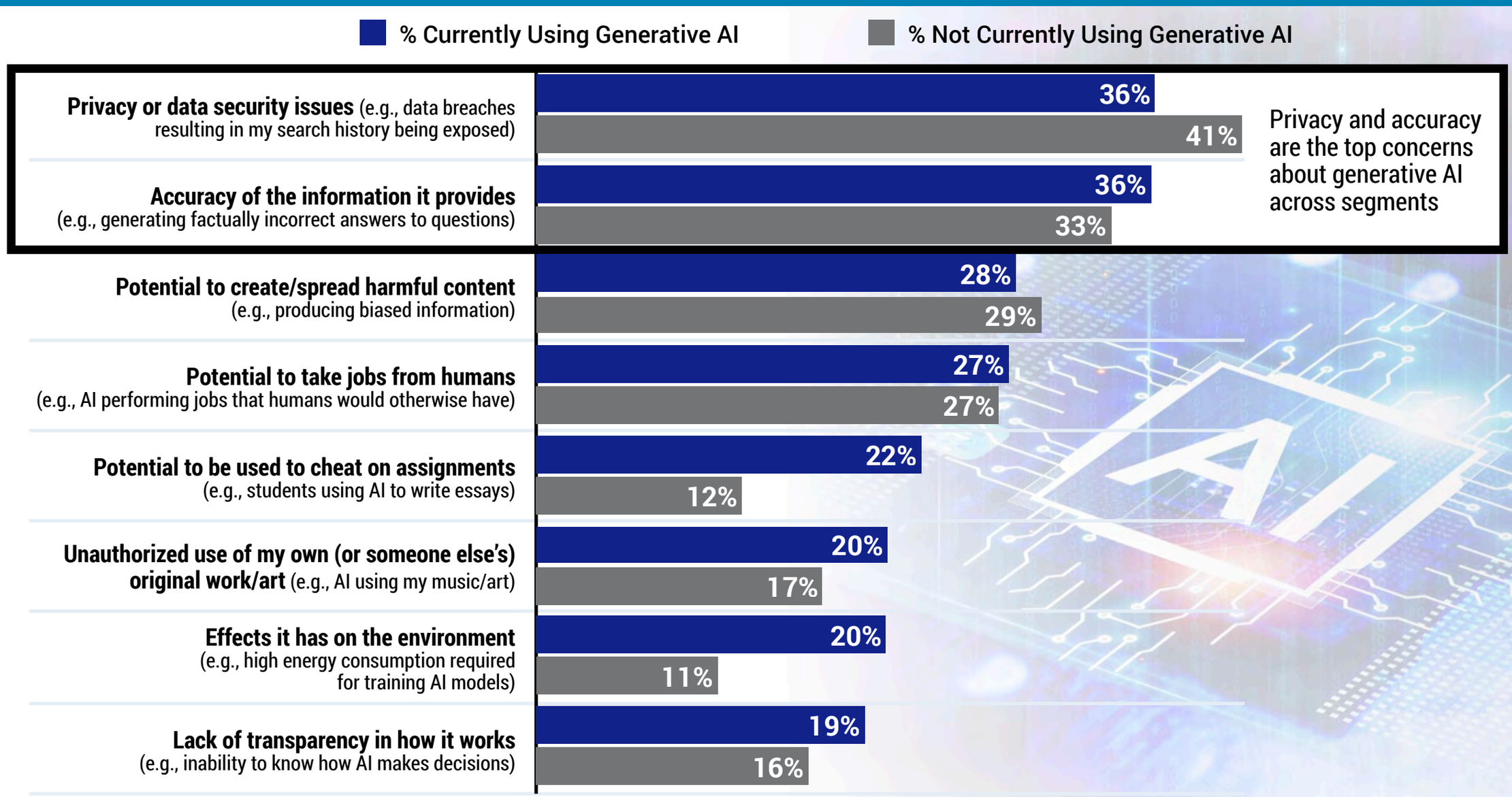
Funnel, Omnia1 Analytics

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Note: Not exhaustive.
Sources: Activate analysis, Company sites

To expand adoption for search, generative AI platforms will need to address big concerns about information accuracy and privacy

TOP CONCERNS[1] ABOUT GENERATIVE AI,
U.S., 2025, % ADULTS AGED 18+ WHO ARE AWARE OF GENERATIVE AI BY USERS VS. NON-USERS

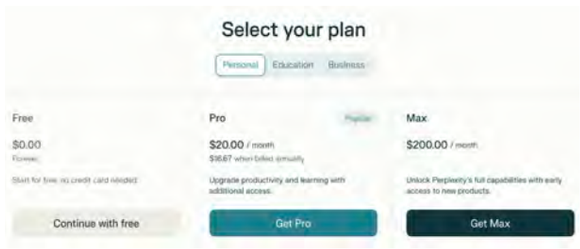
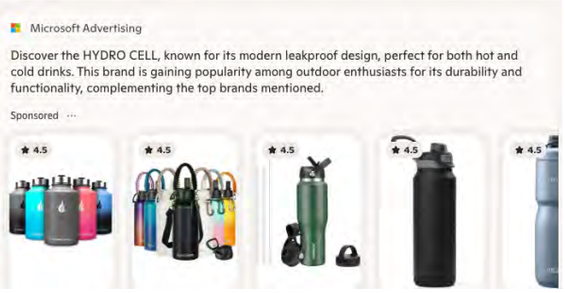
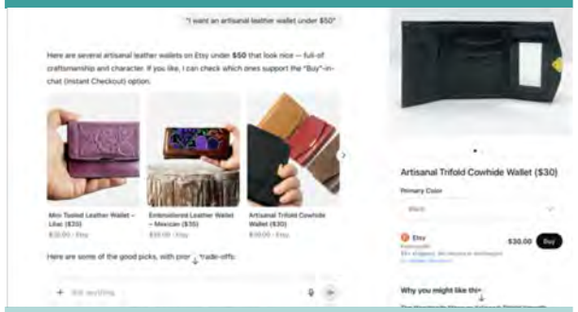


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1. Respondents were asked to select up to three top concerns.
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026)

Generative AI platforms will pursue the full range of historical web monetization models

EMERGING AI SEARCH MONETIZATION STRATEGIES

	User-Facing			B2B
	Subscriptions	Advertising	eCommerce	APIs
	Charge recurring fee for expanded access and premium features	**Display sponsored content, contextual ads, or branded experiences within AI chat**	**Enable users to make purchases directly within AI chat** (without visiting merchant websites)	**Charge for access to models, often based on tokens processed**
Example	perplexity ChatGPT	Copilot	ChatGPT	Claude
				
Details	Perplexity subscription benefits include: • Access to more advanced models • Unlimited file and photo uploads • Video generation • Access to Perplexity Research • 10x as many citations in answers	• Sponsored products on Copilot most commonly appear in an advertising block below the organic response • Other creative ad placements include sponsored follow-up questions and virtual show rooms	• ChatGPT supports in-chat purchases for U.S. Etsy sellers, with Shopify merchant integration expected to expand availability • OpenAI charges a merchant fee per transaction and is open-sourcing its Agentic Commerce Protocol to accelerate adoption	• APIs allow developers to incorporate generative AI models directly into their software • Plans are usually charged by token usage, which is a measure of text processed in both inputs and outputs

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Sources: Activate analysis, Company sites



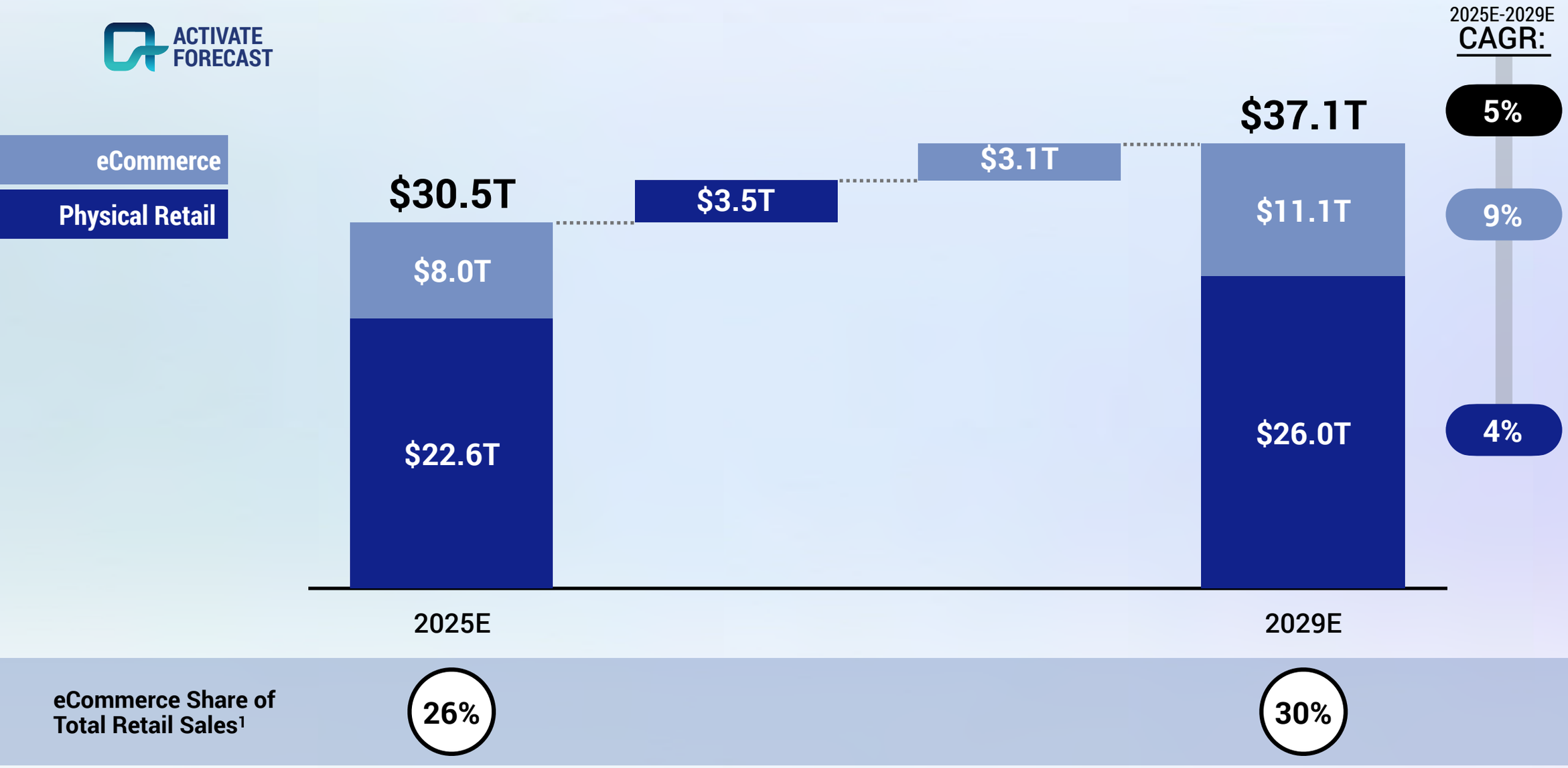
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ECOMMERCE ENTERS THE AGE OF SUPER INTELLIGENCE AND SUPER STOREFRONTS DRIVE DISCOVERY AND CHOICE

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We forecast that global eCommerce and physical retail sales will reach $37T in 2029; absolute growth dollars from physical retail will be greater than those from eCommerce

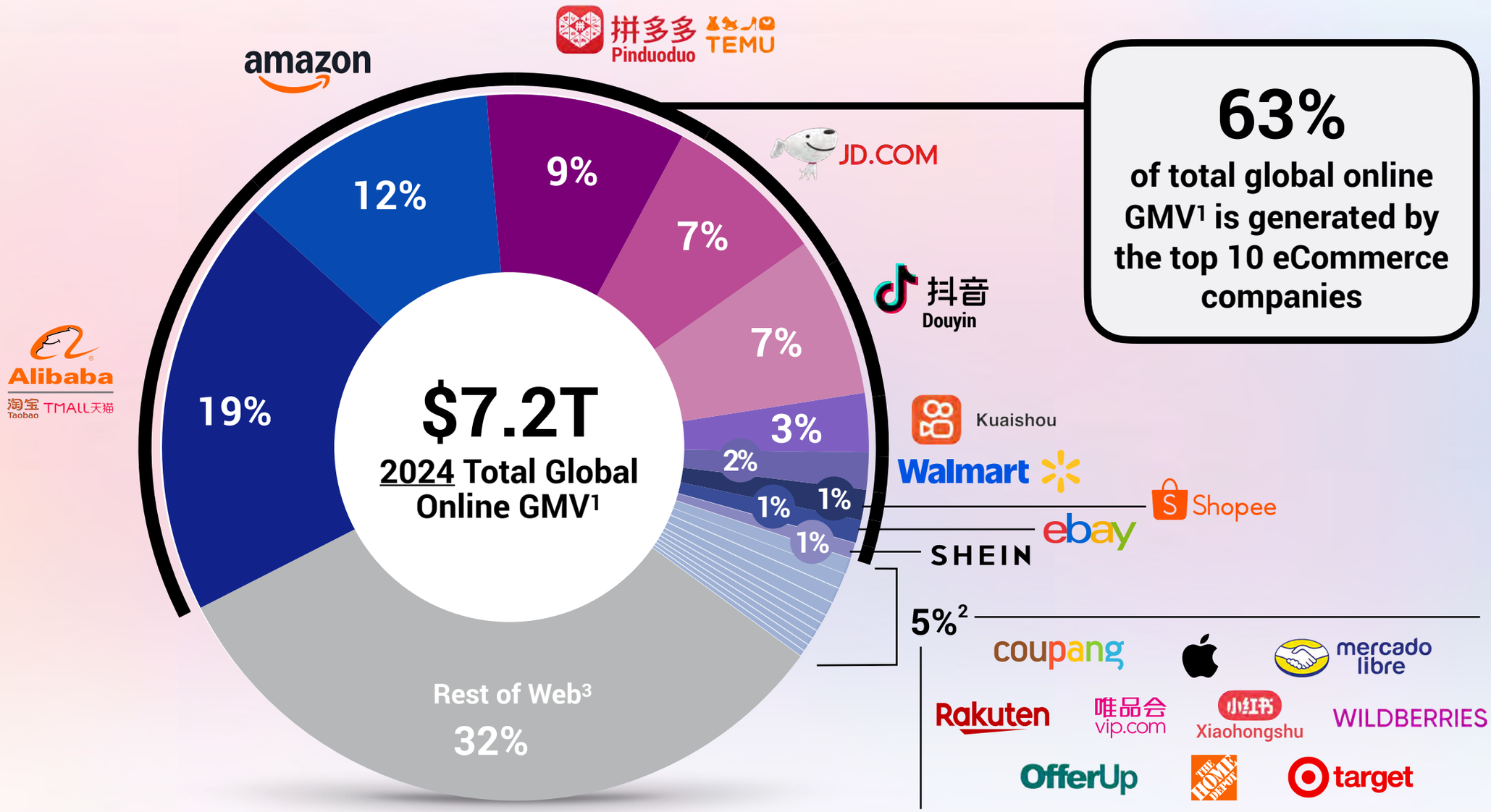
RETAIL SALES BY CHANNEL[1], GLOBAL, 2025E VS. 2029E, TRILLIONS USD



1. Excludes travel and event tickets, food and drink services, and vice goods and activities. Figures do not sum due to rounding.
Sources: Activate analysis, eMarketer, Research and Markets

Global eCommerce merchandise volume will continue to be dominated by the top 10 companies

SHARE OF ONLINE GROSS MERCHANDISE VOLUME (GMV) BY COMPANY[1], GLOBAL, 2024, % TOTAL ONLINE GMV[1]



1. Excludes travel and event tickets, food and drink services, and vice goods and activities. Figures do not sum to 100% due to rounding.
2. Each company accounts for less than 1% of total online GMV. 3. Includes all of online GMV not covered by the top 20 eCommerce companies.
Sources: Activate analysis, Company filings, Company press releases, Company sites, Digital Commerce 360, eMarketer, The Financial Times, Research and Markets, U.S. Internal Revenue Service

eCommerce is a marketplace business, with third-party sellers generating 83% of online GMV for the top 15 eCommerce players

SHARE OF ONLINE GMV[1] OF TOP 15 ECOMMERCE COMPANIES BY SALES TYPE, GLOBAL, 2024, % TOTAL ONLINE GMV[1] OF TOP 15 ECOMMERCE COMPANIES



SHARE OF ONLINE GMV[1] BY SALES TYPE FOR TOP 15 ECOMMERCE COMPANIES, GLOBAL, 2024, % TOTAL ONLINE GMV[1] BY COMPANY

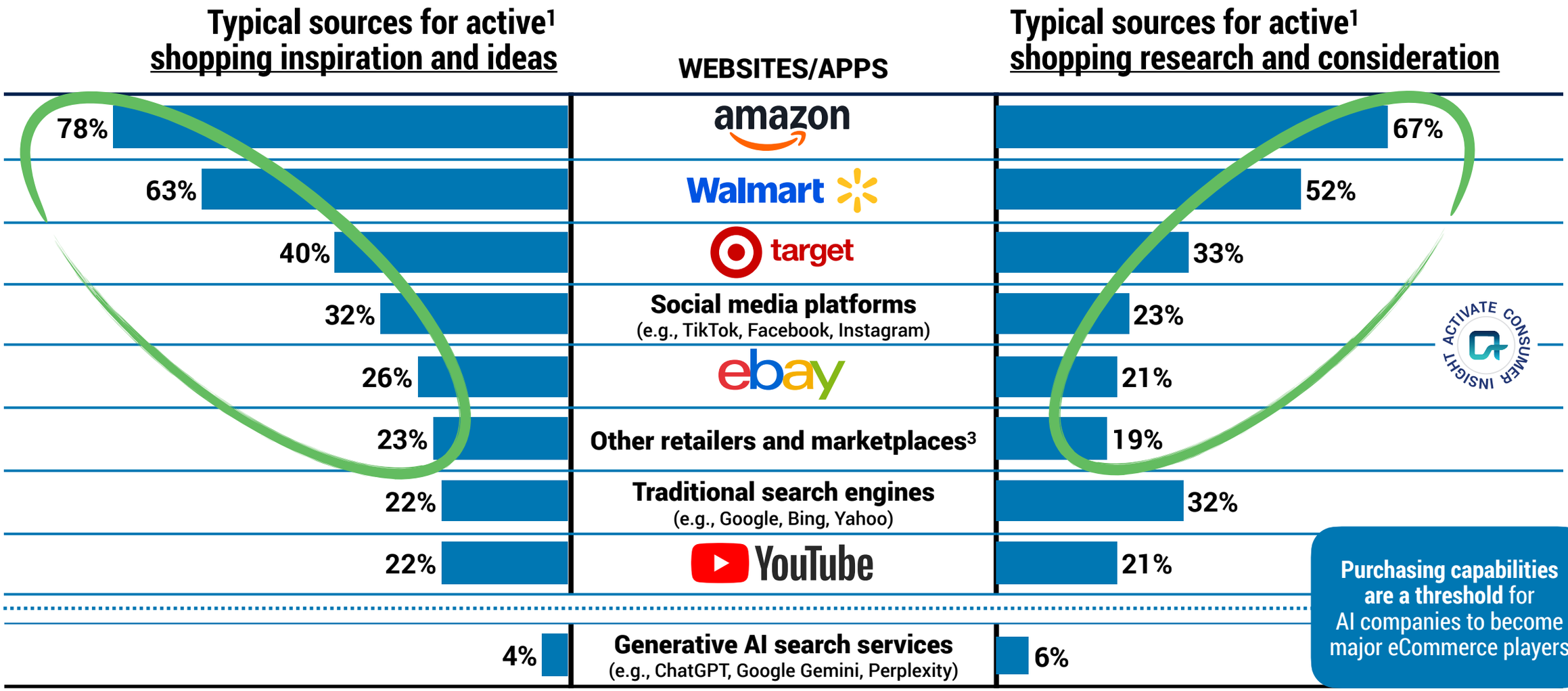
BUSINESS MODEL	ECOMMERCE COMPANY	2024 GLOBAL ONLINE GMV[1] — MARKETPLACE VS. DIRECT RETAIL
MARKETPLACE ONLY	Alibaba	100%
	Pinduoduo / TEMU	100%
	Douyin	100%
	Kuaishou	100%
	Shopee	100%
	ebay	100%
	Rakuten	100%
HYBRID	mercado libre	90% / 10%
	amazon	65% / 35%
	coupang	53% / 47%
	JD.COM	45% / 55%
	SHEIN	24% / 76%
	Walmart	13% / 87%
	唯品会 vip.com	5-10% / 90-95%
DIRECT ONLY	Apple	100%

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1. Excludes travel and event tickets, food and drink services, and vice goods and activities.
Sources: Activate analysis, Company filings, Company press releases, Company sites, Digital Commerce 360, eMarketer, The Financial Times, Research and Markets, U.S. Internal Revenue Service

Marketplaces offer consumers a one-stop shop for shopping discovery, research, and purchasing

TOP WEBSITES/APPS TYPICALLY USED FOR ACTIVE[1] SHOPPING INSPIRATION AND RESEARCH, U.S., 2025, % ONLINE SHOPPERS[2]



1. Active shopping inspiration does not include passive shopping discovery (e.g., discovering a product when scrolling social media for a different purpose), which commands a considerable amount of time spent and can occur on other platforms. 2. "Online shoppers" are defined as adults aged 18+ who shopped online at least once in the last 12 months. Shopping includes browsing as well as making purchases. 3. Includes a specific brand's online store (e.g., Apple, Nike, Fenty Beauty), other online store that sells multiple brands (e.g., Best Buy, Foot Locker, Ulta Beauty), and other online marketplace that offers items from multiple sellers (e.g., OfferUp, Etsy, Poshmark, Wayfair).
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026)

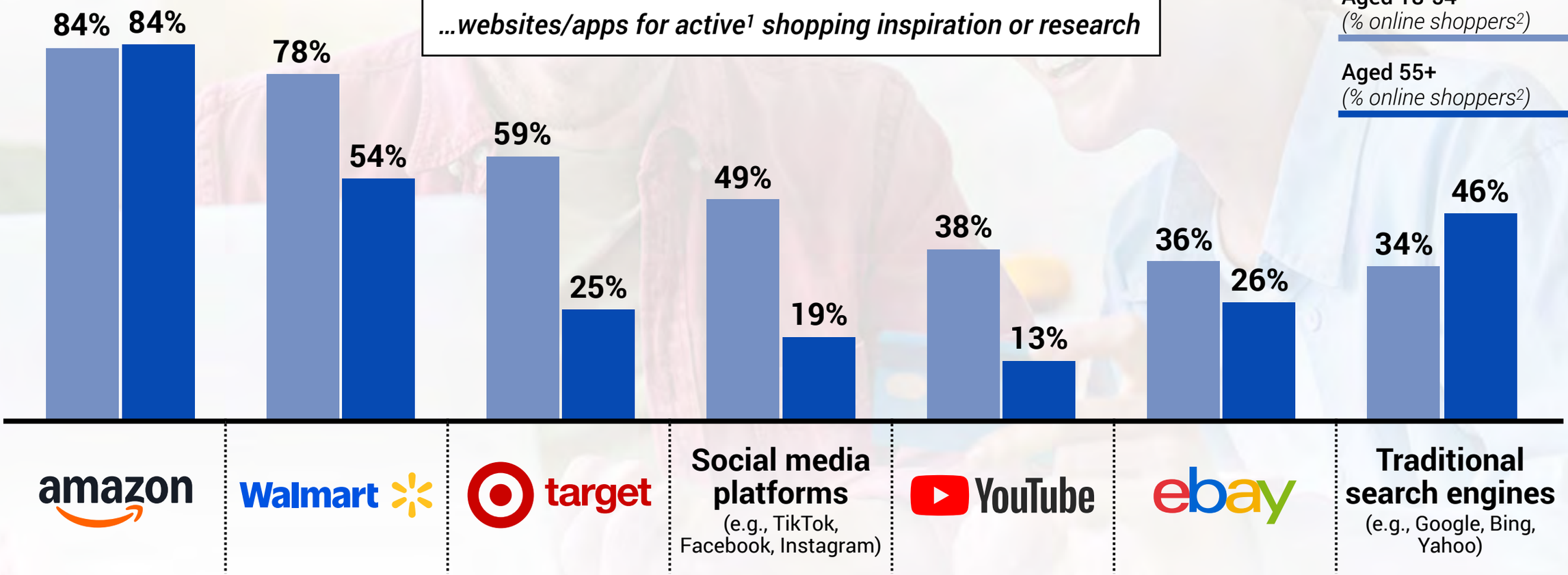
A typical consumer uses multiple eCommerce platforms for shopping inspiration and research; different channels have a role to play in the consumer buying journey

TOP WEBSITES/APPS TYPICALLY USED FOR ACTIVE[1] SHOPPING INSPIRATION OR RESEARCH,
U.S., 2025, % ONLINE SHOPPERS[2] BY AGE GROUP

On average, online shoppers[2] typically use…

Aged 18-54	Aged 55+
4.8	3.4

…websites/apps for active[1] shopping inspiration or research

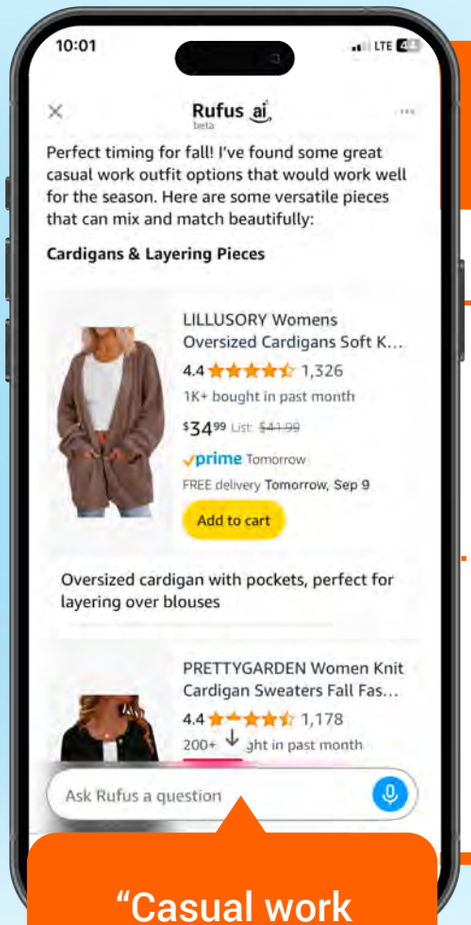


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Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026)

eCommerce companies will integrate generative AI tools directly into their platforms, assisting with discovery and research

GENERATIVE AI CHATBOTS OF TOP U.S.-BASED RETAILERS BY GLOBAL ONLINE GMV

amazon



"Casual work outfit for fall"

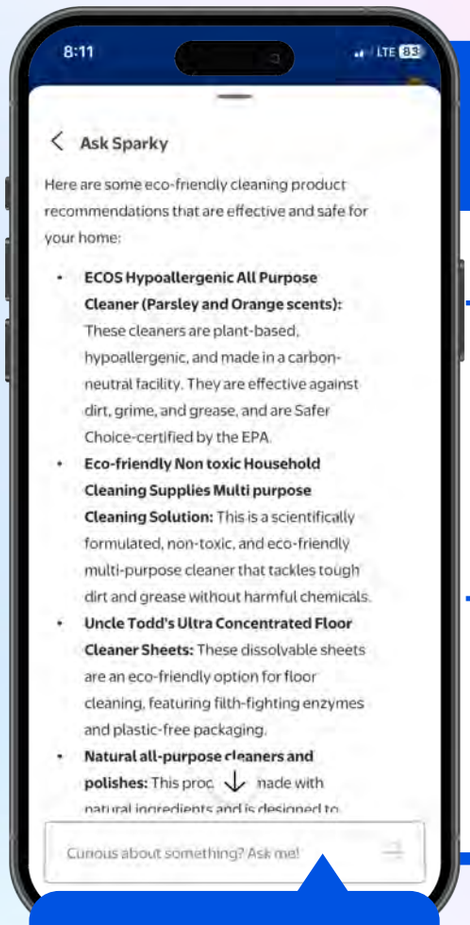
(Beta) LAUNCHED **FEB. 2024**

Rufus

Generates product recommendations tailored to shoppers' personal preferences

Provides easy-to-use curation and product comparisons to inform shopper purchases

Walmart



"Eco-friendly cleaning products"

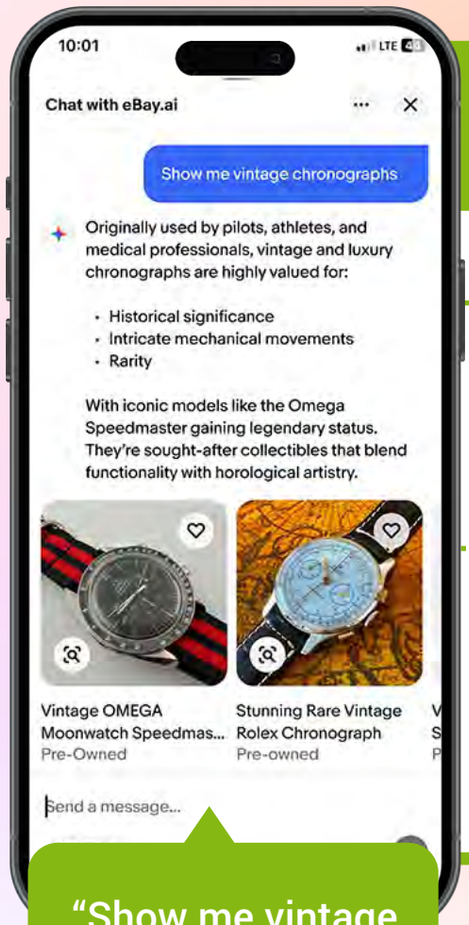
LAUNCHED **JUNE 2025**

Sparky

Summarizes customer reviews and offers personalized, budget-friendly product recommendations

Provides product comparisons and delivers planning assistance (e.g., enabling auto-reorder capabilities)

ebay



"Show me vintage chronographs"

(Beta) LAUNCHED **MAY 2025**

eBay.ai

Offers personalized recommendations for a curated search experience

Automates the shopper buying journey by offering recommendations via in-app messaging

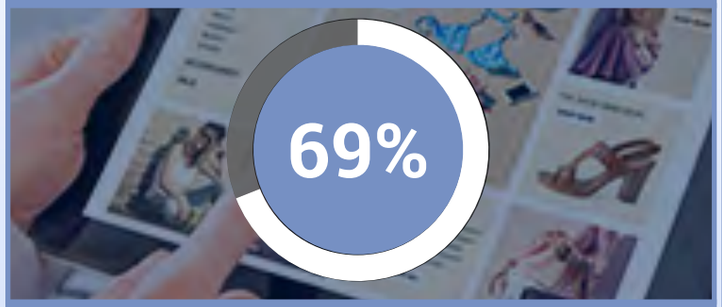
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Sources: Activate analysis, Company sites

Based on our research, generative AI functionality will be used for each stage of the shopping process

INTEREST IN USING GENERATIVE AI SEARCH SERVICES IN EACH STEP OF THE BUYING PROCESS[1],
U.S., 2025, % ONLINE SHOPPERS[2]

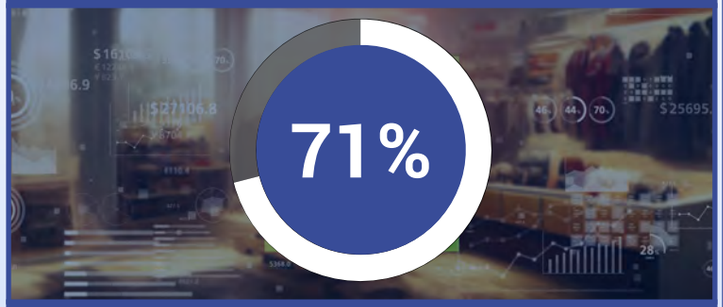
STEP 1
Discovery
(for shopping inspiration and ideas)



"Products that can change my morning routine"

"Popular boots for winter this year"

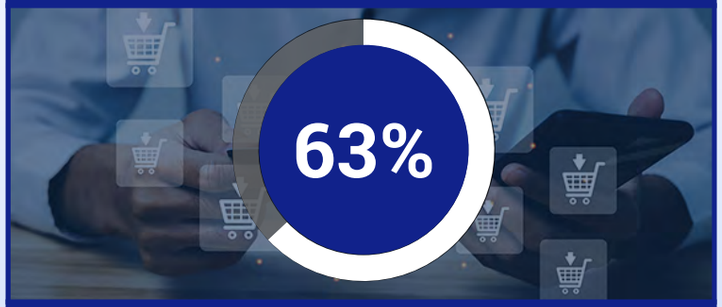
STEP 2
Research
(on items a shopper[2] considers purchasing)



"Comparison of top sunrise alarm clocks"

"Which boots are the most waterproof?"

STEP 3
Purchasing
(e.g., through Perplexity "Buy with Pro")



"Buy the Hatch alarm clock"

"Buy Timberland Premium boots in a size 7"

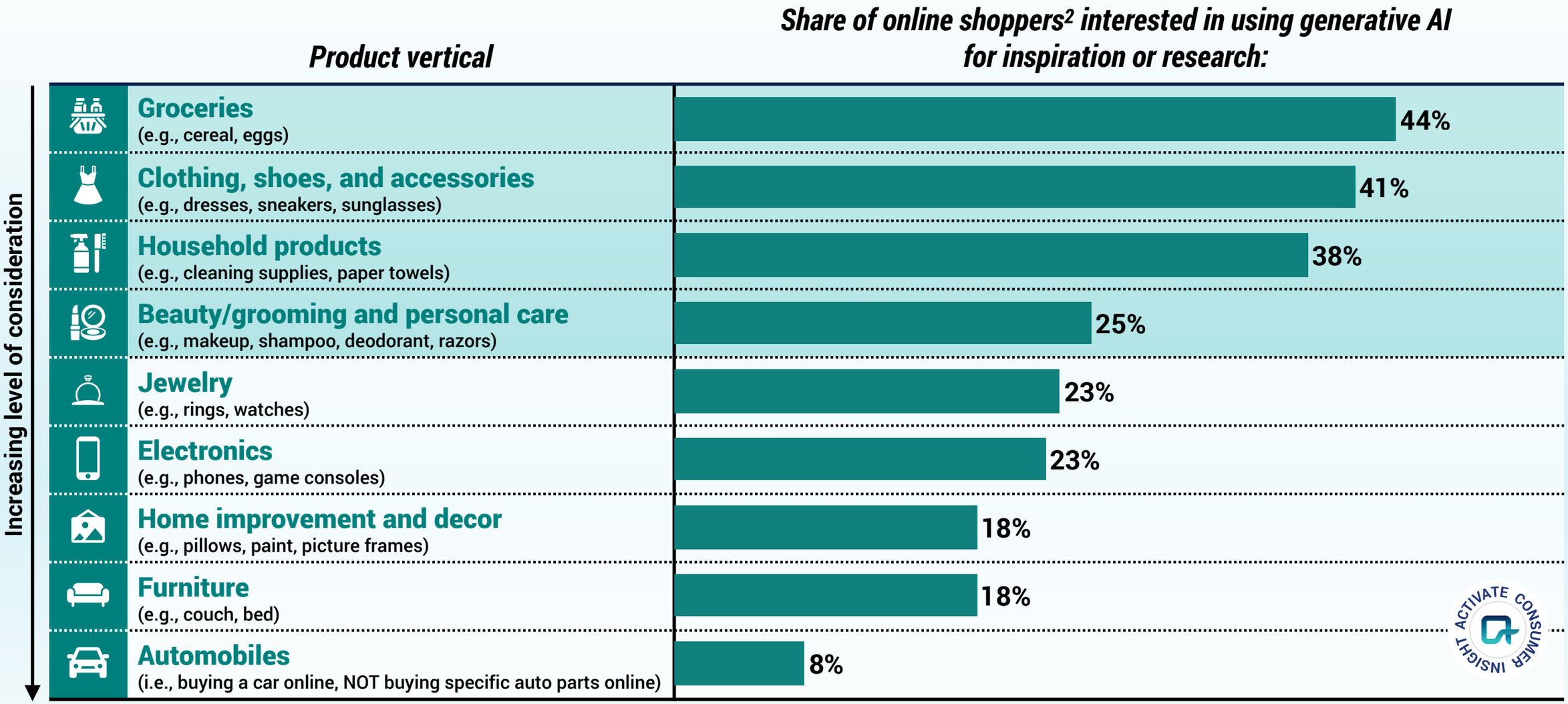
60% **of online shoppers[2] are interested[1] in using generative AI search services for <u>every</u> step in the buying process**

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1. Includes respondents who indicated they are extremely, very, somewhat, or slightly interested in using generative AI search services for each step in the buying process. 2. "Online shoppers" are defined as adults aged 18+ who shopped online at least once in the last 12 months. Shopping includes browsing as well as making purchases.
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026)

Consumers will use generative AI primarily for discovery and research of lower consideration items

TOP VERTICALS[1] FOR WHICH SHOPPERS[2] ARE MOST INTERESTED IN USING GENERATIVE AI FOR ACTIVE[3] INSPIRATION OR RESEARCH,
U.S., 2025, % ONLINE SHOPPERS FOR EACH VERTICAL[2] INTERESTED IN USING GENERATIVE AI FOR INSPIRATION OR RESEARCH



1. Respondents were asked to select up to three top product verticals. 2. "Online shoppers for each vertical" are defined as adults aged 18+ who shopped online at least once in the last 12 months. Shopping includes browsing as well as making purchases. Shoppers have purchased within the product vertical they selected at least once in the last 12 months. 3. Active shopping inspiration does not include passive shopping discovery (e.g., discovering a product when scrolling social media for a different purpose), which commands a considerable amount of time spent and can occur on other platforms.
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026)

Generative AI platforms will attempt to move into eCommerce by integrating payment capabilities

AGENTIC ECOMMERCE: GENERATIVE AI-POWERED PAYMENT PLATFORMS & PARTNERSHIPS

PERPLEXITY AI

perplexity pro

Launched Nov. 2024

Buy with Pro

- Offers shoppers a **seamless, "one-click" agentic checkout** experience on the Perplexity website or app
- Features **free shipping** on orders purchased
- Integrates a **visual search tool** with "Snap to Shop," which analyzes photos and displays relevant products available for purchase

OPENAI

ChatGPT

Launched Sept. 2025

Instant Checkout

- Delivers an **instant, agentic checkout** for single-item purchases, enabling shoppers to navigate "**from chat to checkout**"
- **Filters product suggestions** from multiple merchants selling the same product **based on Instant Checkout availability**, alongside criteria like product availability, price, quality, and merchant type
- Connects shoppers to **U.S. Etsy sellers and 1M+ Shopify[1] sellers**

GOOGLE GEMINI

Gemini

Expected Launch 2025

Agentic Checkout Google AI Mode

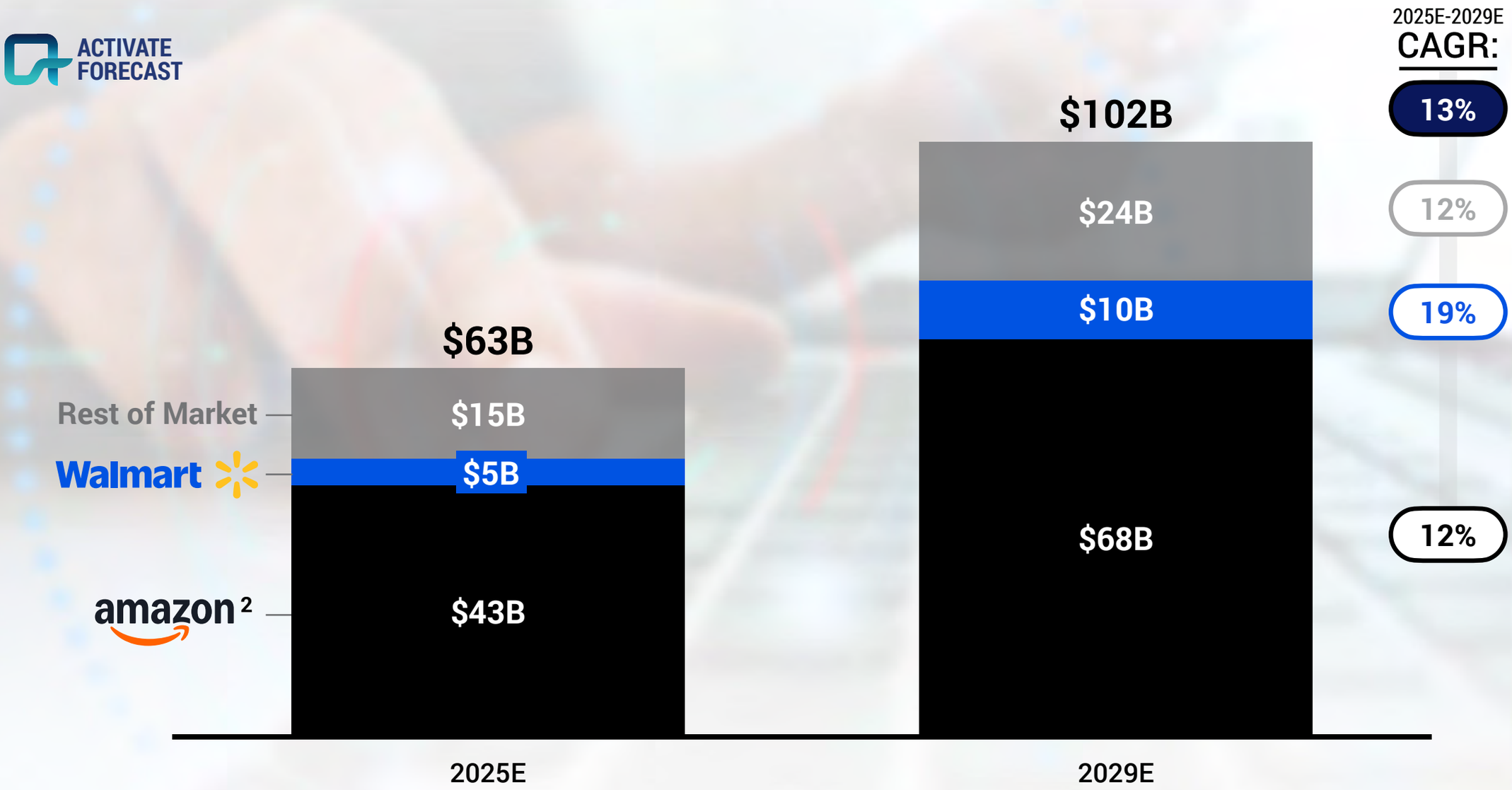
- Offers an **agentic checkout experience** using the "buy for me" button, incorporated into a browsable panel of product listings (via Google Shopping)
- Features an opt-in **price tracking notification system** to guarantee shoppers the best deals
- Securely **completes checkouts with intra-ecosystem Google Pay** integration

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1. Shopify partnership "coming soon" as of Sept. 29, 2025.
Sources: Activate analysis, Company sites

eCommerce companies are becoming media companies; we forecast that U.S. retail media revenue will reach over $100B by 2029

RETAIL MEDIA NETWORK ADVERTISING REVENUE[1] BY COMPANY, U.S., 2025E VS. 2029E, BILLIONS USD



1. Includes revenue from on-site, off-site, and in-store retail media. 2. Excludes Amazon OTT ad revenue (e.g., from Prime Video, Twitch, Fire TV), as ads on these platforms are not typically purchased using retail media data.
Sources: Activate analysis, Barclays, Company filings, Company press releases, Company sites, Digiday, eMarketer, MAGNA, WPP Media

To succeed in the increasingly complex retail environment, retailers and third-party sellers will need to integrate a broad set of eCommerce enablement applications

ACTIVATE ECOMMERCE ENABLEMENT FRAMEWORK

CORE ECOMMERCE PLATFORMS	CUSTOMER RELATIONSHIP MANAGEMENT	MARKETING	SEARCH ENGINE OPTIMIZATION	FRONTEND & STOREFRONT BUILDING	CONTENT MANAGEMENT	SEARCH & DISCOVERY	PRODUCT INFORMATION	PRICING
Adobe Commerce	HubSpot	attentive	BRIGHTEDGE	alokai	contentful	algolia	akeneo	Feedvisor
commercetools	Microsoft Dynamics 365	braze	conductor	shōgun	CONTENTSTACK	bloomreach	INRIVER	Intelligence Node
shopify	salesforce	klaviyo	SEMRUSH	tapcart	storyblok	Constructor	SALSIFY	omniaretail

MARKETPLACE	VIRTUAL STORE CREATION	LIVESTREAM SHOPPING	VIRTUAL VISUALIZATION & FIT TOOLS	SUBSCRIPTIONS	CHECKOUT & PAYMENTS	POS FINANCING	FRAUD PROTECTION
MIRAKL	byondxr	buywith_	nextech3D.ai	chargebee	BOLT	affirm	FORTER
UNIRGY	EMPERIA	CS	PERFECT	recharge	PayPal	Afterpay	riskified
VTEX	inContext	TalkShopLive	TRUE FIT	Recurly	stripe	Klarna.	Signifyd

DEMAND & SUPPLY PLANNING	FULFILLMENT LOGISTICS	ORDER TRACKING EXPERIENCE	CUSTOMER REVIEWS & CONTENT	RETURNS	RE-COMMERCE	CUSTOMER SUPPORT	LOYALTY & REWARDS	DATA ANALYTICS
ORACLE	amazon	aftership	bazaarvoice	Happy Returns	Archive	freshworks	rise.ai	daasity
RELEX	Manhattan	malomo	Okendo	loop	THREDUP	gorgias	Talon.One	Heap
Toolio	shippo	narvar	POWER REVIEWS	optoro	TROVE	zendesk	yotpo.	Numerator

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Note: Not exhaustive.
Sources: Activate analysis, Company press releases, Company sites

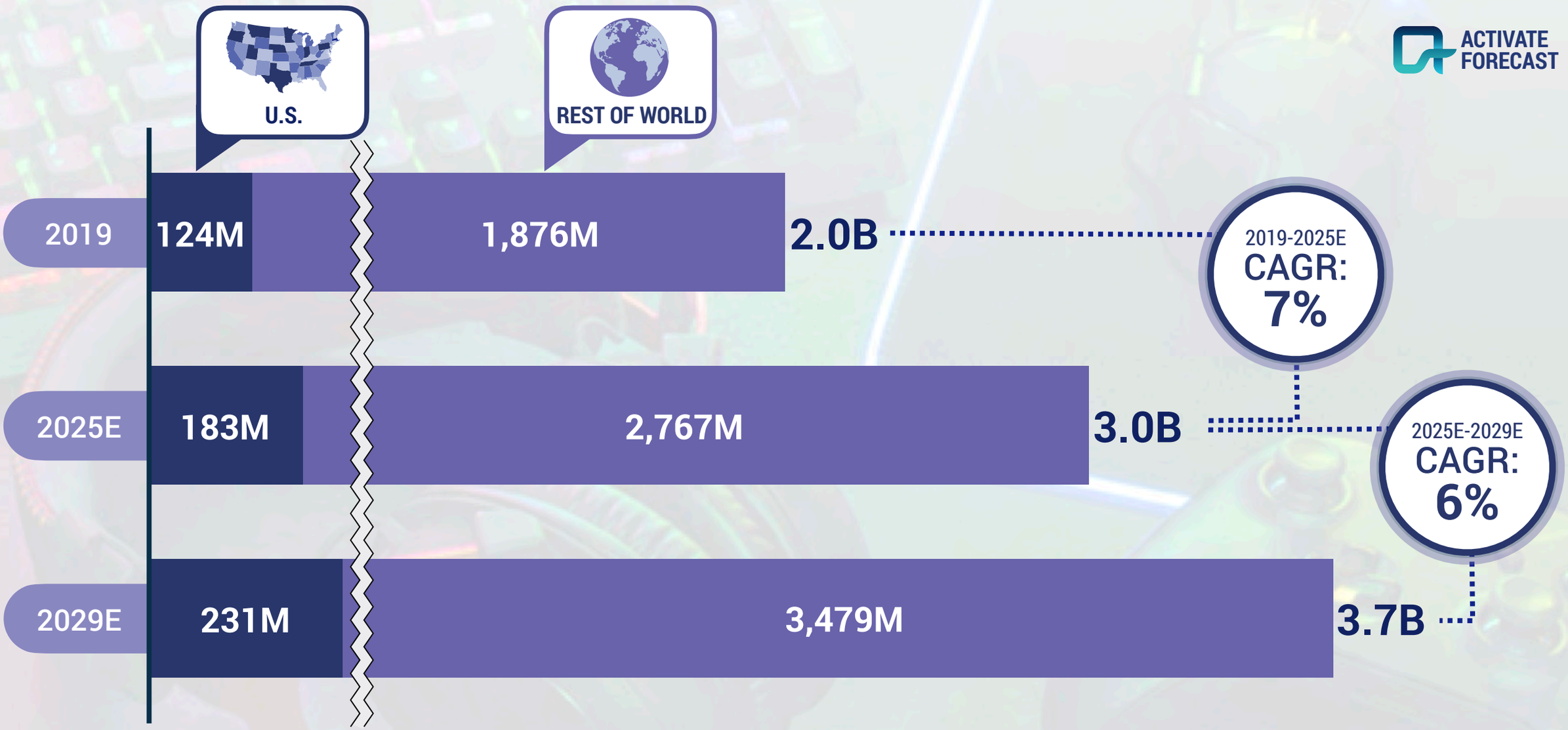


CREATED FOR ACTIVATE BY ASW

VIDEO GAMING: PLAY BECOMES THE WORLD'S MOST SPOKEN LANGUAGE

Play will become the world's most spoken language; virtually all online adults in the world will become gamers in the near future, with active gamers reaching 3.7B by 2029

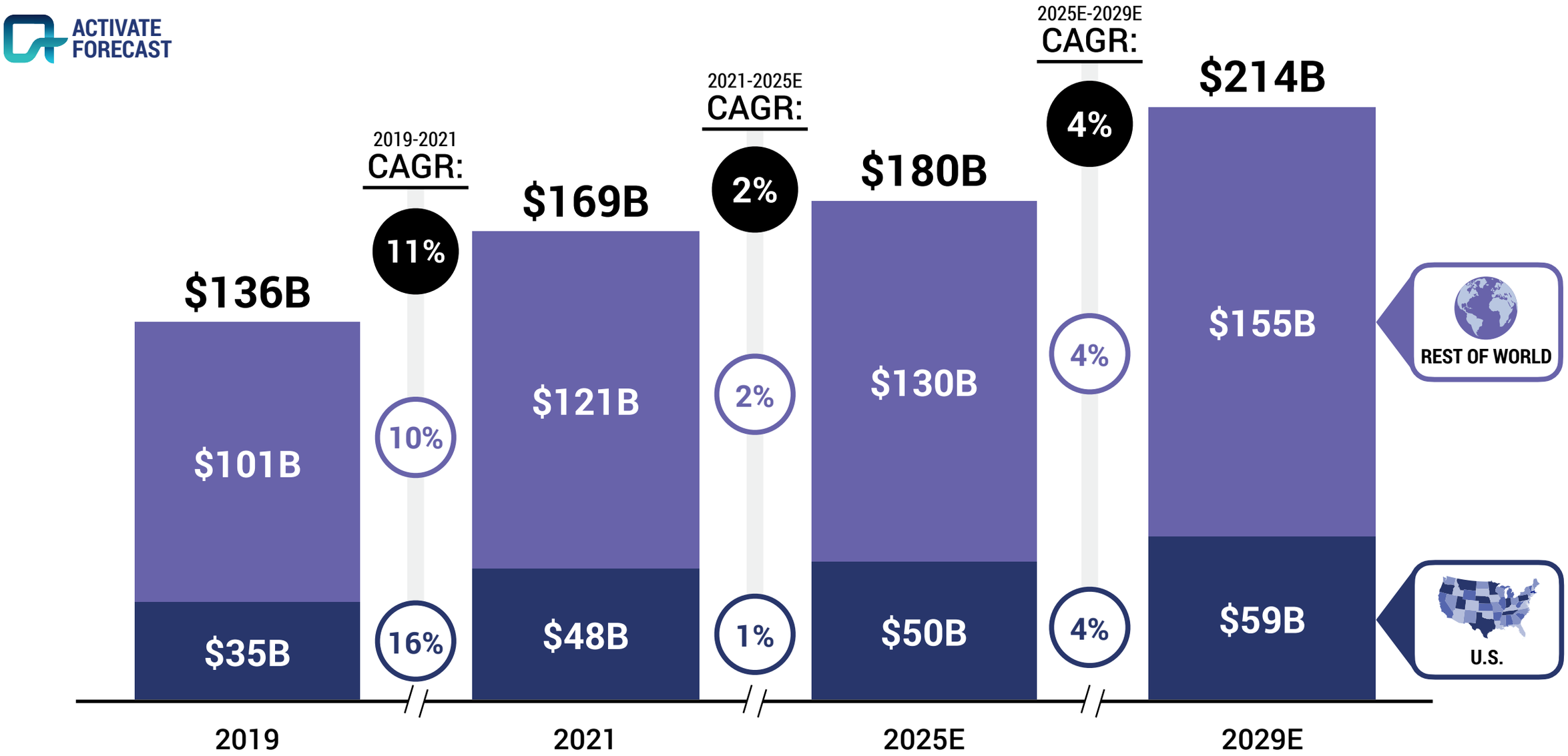
GAMING POPULATION BY REGION, GLOBAL, 2019 VS. 2025E VS. 2029E, MILLIONS GAMERS[1]



1. "Gamers" are defined as adults aged 18+ who play video games.
Sources: Activate analysis, Activate 2019 Consumer Technology & Media Research Study (n = 4,006), Activate 2025 Consumer Technology & Media Research Study (n = 4,026), Newzoo, Omdia, PricewaterhouseCoopers, Statista, U.S. Census Bureau

We forecast that global consumer video game revenue will reach $214B by 2029

CONSUMER VIDEO GAME REVENUE BY REGION[1], GLOBAL, 2019 VS. 2021 VS. 2025E VS. 2029E, BILLIONS USD

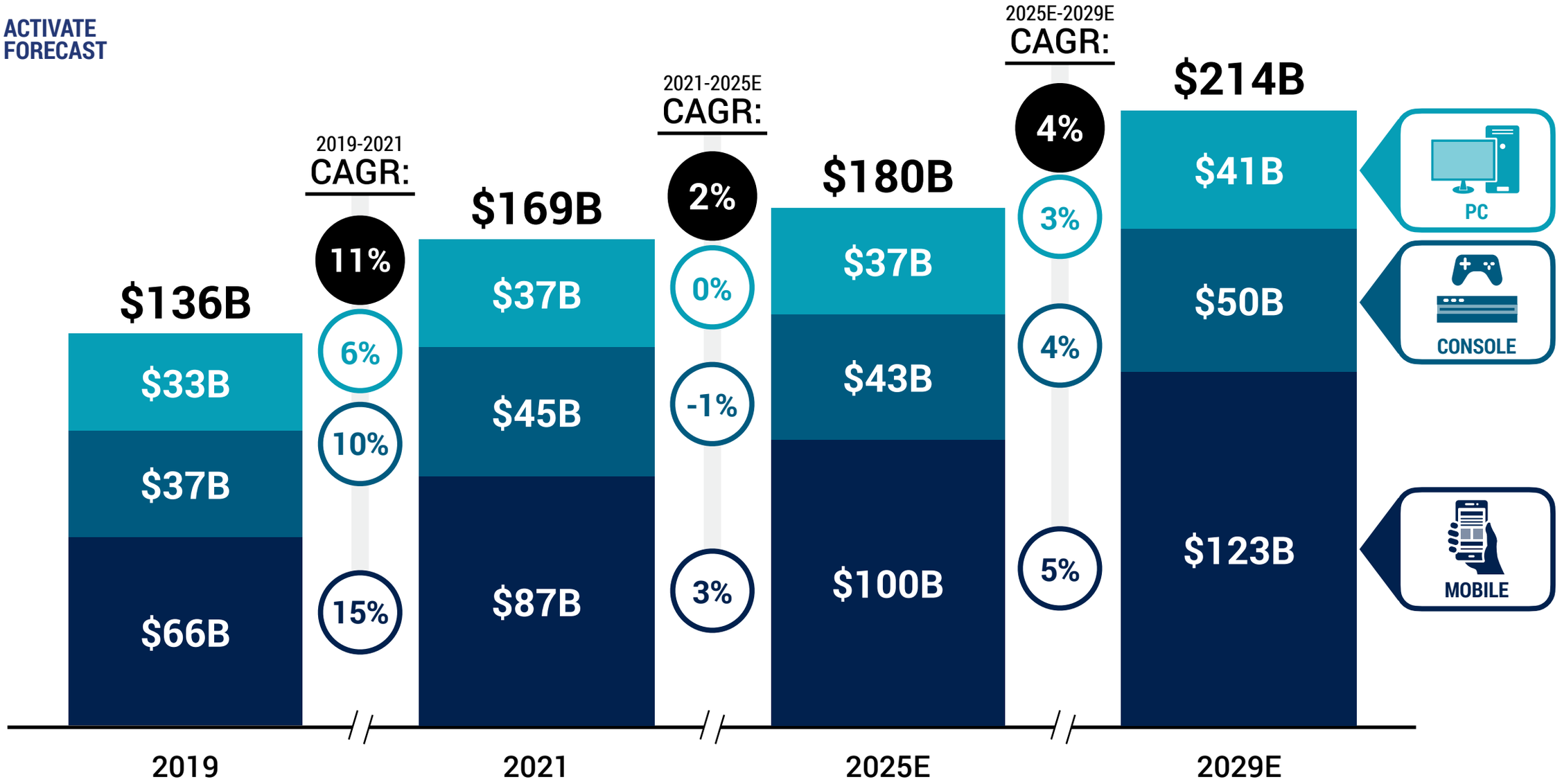


1. Excludes hardware and device sales, augmented/virtual reality content, and advertising.
Sources: Activate analysis, Newzoo, Omdia, PricewaterhouseCoopers, Statista

Mobile makes up more than half of gaming revenues today and will grow faster than the other segments

CONSUMER VIDEO GAME REVENUE BY PLATFORM[1], GLOBAL, 2019 VS. 2021 VS. 2025E VS. 2029E, BILLIONS USD

ACTIVATE FORECAST



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1. Excludes hardware and device sales, augmented/virtual reality content, and advertising.
Sources: Activate analysis, Newzoo, Omdia, PricewaterhouseCoopers, Statista

Gaming is not one size fits all: mobile gamers prefer action/adventure and puzzle games, console gamers prefer arcade and fighting games, and PC gamers more frequently play MOBAs

TOP MOBILE GAME GENRES[1], U.S., 2025, % MOBILE GAMERS[2]

90% of gamers[5] play **mobile games**

Rank	Genre	% Usage[1]
1	Action/Adventure	47%
2	Puzzle	45%
3	Board	40%
4	Trivia/Word	39%
5	Arcade	33%
6	Non-Casino Card	28%
7	Music	26%
8	Battle Royale	24%
9	Sports	23%
10	RPG[6]	23%

TOP CONSOLE GAME GENRES[1], U.S., 2025, % CONSOLE GAMERS[3]

60% of gamers[5] play **console games**

Rank	Genre	% Usage[1]
1	Arcade	44%
2	Fighting	43%
3	Racing	38%
4	MMORPG[7]	35%
5	Sandbox	35%
6	Sports	35%
7	Shooter	34%
8	Battle Royale	34%
9	Strategy	33%
10	Horror	33%

TOP PC GAME GENRES[1], U.S., 2025, % PC GAMERS[4]

65% of gamers[5] play **PC games**

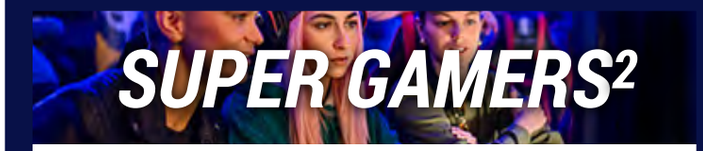
Rank	Genre	% Usage[1]
1	MOBA[8]	35%
2	Action/Adventure	26%
3	Shooter	26%
4	Board	25%
5	Sports	24%
6	MMORPG[7]	24%
7	Puzzle	24%
8	Battle Royale	23%
9	Horror	23%
10	RPG[6]	23%

Note: Platforms ordered by 2024 consumer revenue. 1. Genre usage is defined as having played a genre in the last 12 months. 2. "Mobile gamers" are defined as adults aged 18+ who have played video games on a mobile device in the last 12 months. 3. "Console gamers" are defined as adults aged 18+ who have played video games on a console (e.g., Nintendo Switch, Playstation, Xbox) in the last 12 months. 4. "PC gamers" are defined as adults aged 18+ who have played video games on a PC in the last 12 months. 5. "Gamers" are defined as adults aged 18+ who play video games. 6. Role-playing game. 7. Massively multiplayer online role-playing game. 8. Multiplayer online battle arena.
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026)

Through consumer research, we segmented the U.S. gaming population and identified Super Gamers; this valuable segment has the highest level of engagement with video games and represents 38% of all U.S. gamers

2025 GAMER SEGMENTATION: OUR RESEARCH SHOWS THAT U.S. GAMERS[1] FALL INTO ONE OF THREE SEGMENTS…

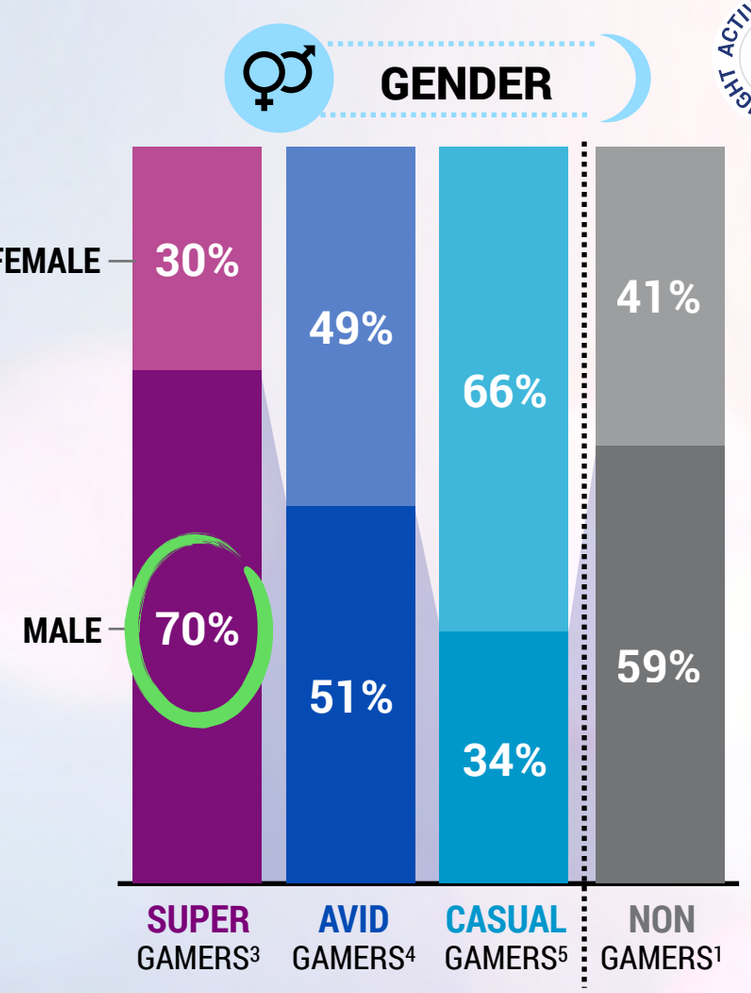
HIGHER ENGAGEMENT → LOWER ENGAGEMENT

	SUPER GAMERS[2]	AVID GAMERS[3]	CASUAL GAMERS[4]
			
	38% OF U.S. GAMERS[1]	**35%** OF U.S. GAMERS[1]	**26%** OF U.S. GAMERS[1]
	70M IN THE U.S.	**65M** IN THE U.S.	**48M** IN THE U.S.
AVERAGE DAILY TIME GAMING (HOURS:MINUTES)	**3:19**	**2:52**	**2:05**
GAMING BEHAVIORS/ TENDENCIES	Play video games as their **primary source** of entertainment	Play video games as **one of a few equivalent sources** of entertainment	Play video games **only when other sources** of entertainment are **unavailable**
GAMING ECOSYSTEM INVOLVEMENT	**Follow gaming content online** (e.g., watch playthroughs, read reviews)	**May follow** gaming content online	**Unlikely to follow** gaming content online

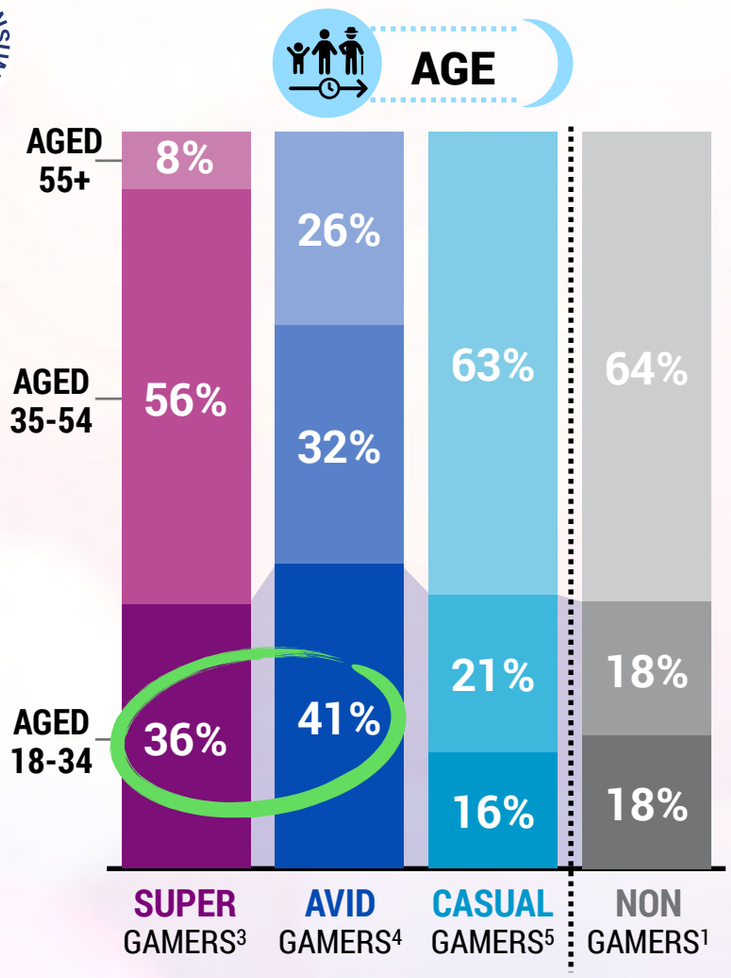
1. “Gamers” are defined as adults aged 18+ who play video games. Figures do not sum to 100% due to rounding. 2. “Super Gamers” are defined as gamers who view gaming as their primary source of entertainment and follow gaming content online. 3. “Avid Gamers” are defined as gamers who view gaming as one of a few equivalent options for entertainment, or gamers who view gaming as their primary source of entertainment but do not follow gaming content online. 4. “Casual Gamers” are defined as gamers who only view gaming as an entertainment option when other options are not available, or gamers who view gaming as one of a few equivalent options for entertainment but do not follow gaming content online.
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026), data.ai, eMarketer, GWI, Newzoo, Nielsen, NPD Group, Omdia, PricewaterhouseCoopers, U.S. Census Bureau

Gamers – especially Super Gamers – are a valuable target audience for advertisers, skewing male, younger, and higher income

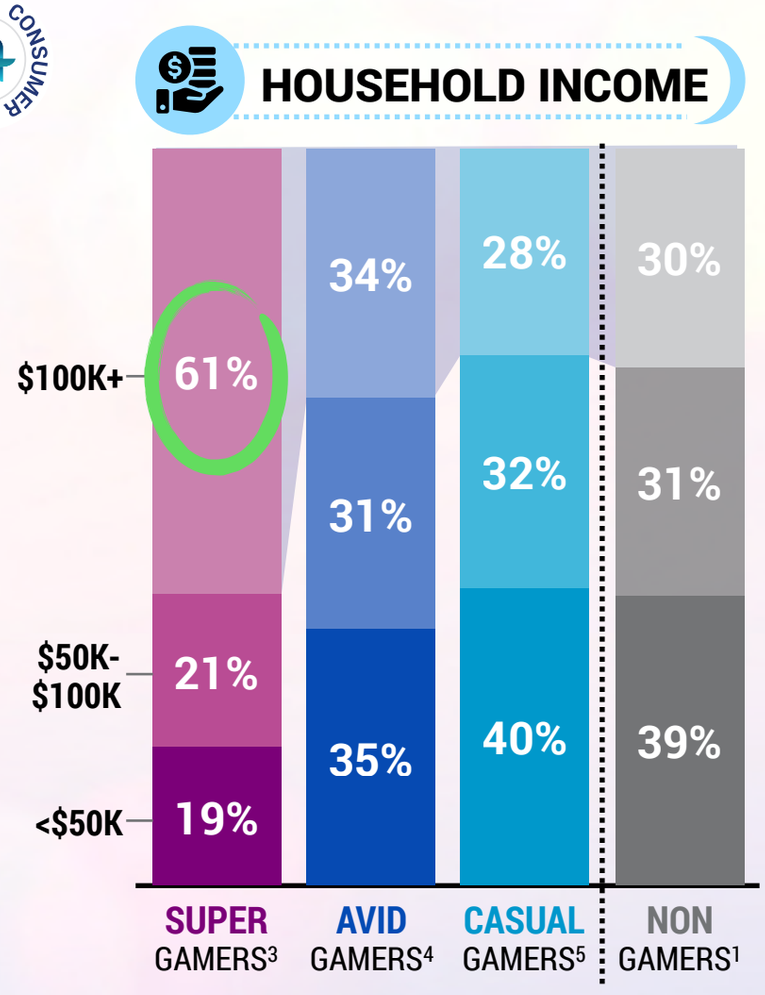
GENDER BREAKDOWN,
U.S., 2025, % GAMERS[1] BY SEGMENT



AGE BREAKDOWN[2],
U.S., 2025, % GAMERS[1] BY SEGMENT



HOUSEHOLD INCOME BREAKDOWN[2],
U.S., 2025, % GAMERS[1] BY SEGMENT

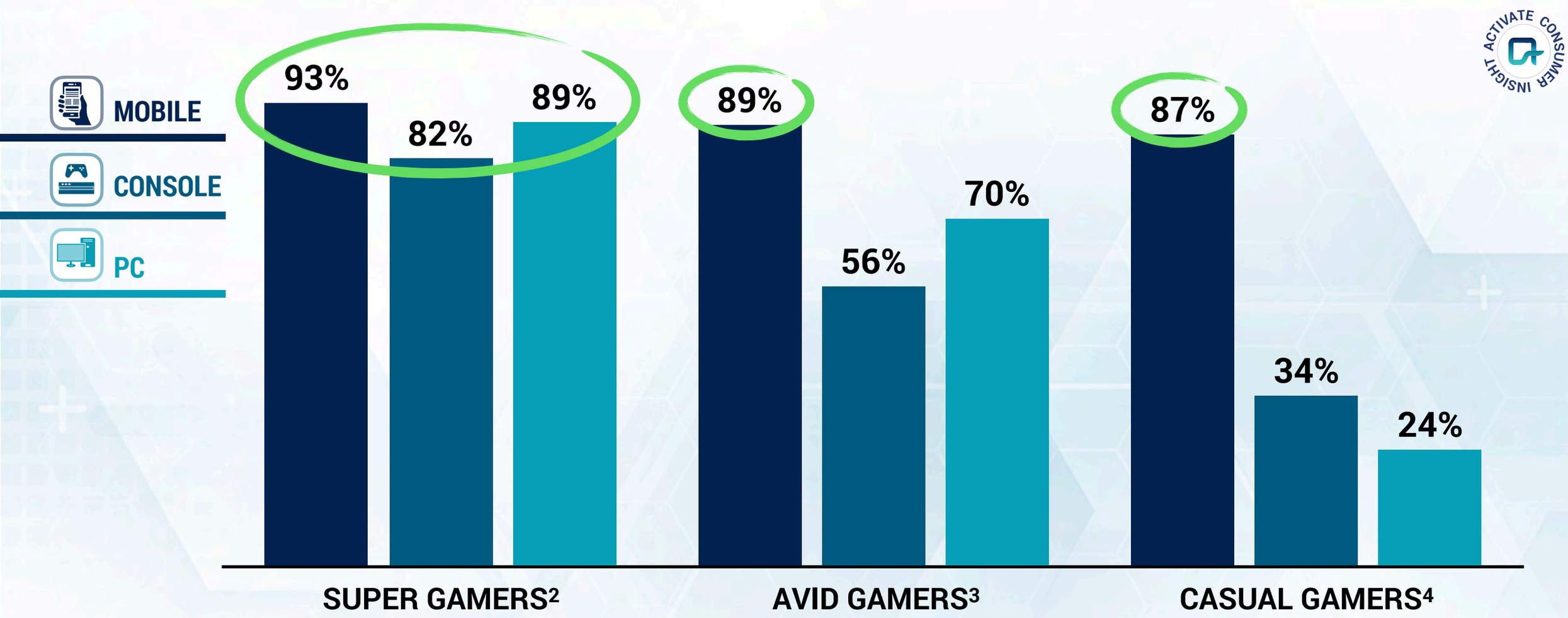


1. "Gamers" are defined as adults aged 18+ who play video games. 2. Figures do not sum to 100% due to rounding. 3. "Super Gamers" are defined as gamers who view gaming as their primary source of entertainment and follow gaming content online. 4. "Avid Gamers" are defined as gamers who view gaming as one of a few equivalent options for entertainment, or gamers who view gaming as their primary source of entertainment but do not follow gaming content online. 5. "Casual Gamers" are defined as gamers who only view gaming as an entertainment option when other options are not available, or gamers who view gaming as one of a few equivalent options for entertainment but do not follow gaming content online.
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026)

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Super Gamers play video games across all platforms, while Avid and Casual Gamers primarily use mobile

SHARE OF GAMERS[1] USING EACH PLATFORM FOR GAMING IN THE LAST 12 MONTHS, U.S., 2025, % GAMERS[1] BY SEGMENT



1. "Gamers" are defined as adults aged 18+ who play video games. 2. "Super Gamers" are defined as gamers who view gaming as their primary source of entertainment and follow gaming content online. 3. "Avid Gamers" are defined as gamers who view gaming as one of a few equivalent options for entertainment, or gamers who view gaming as their primary source of entertainment but do not follow gaming content online. 4. "Casual Gamers" are defined as gamers who only view gaming as an entertainment option when other options are not available, or gamers who view gaming as one of a few equivalent options for entertainment but do not follow gaming content online.
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026)

Each gamer segment prefers different games, influenced by the platforms on which they play

TOP THREE SUPER GAMER[1] GENRES[2] BY PLATFORM, U.S., 2025, % SUPER GAMERS[1] THAT USE EACH PLATFORM

SUPER GAMERS[1]

Rank	MOBILE		CONSOLE		PC	
1	Action/ Adventure	69%	Arcade	57%	MOBA[5]	43%
2	Board	39%	Fighting	49%	Shooter	30%
3	Puzzle	38%	Racing	43%	Board	30%

TOP THREE AVID GAMER[3] GENRES[2] BY PLATFORM, U.S., 2025, % AVID GAMERS[3] THAT USE EACH PLATFORM

AVID GAMERS[3]

Rank	MOBILE		CONSOLE		PC	
1	Puzzle	51%	Fighting	46%	MOBA[5]	28%
2	Board	45%	Action/ Adventure	40%	Action/ Adventure	25%
3	Action/ Adventure	44%	Racing	39%	RPG[6]	23%

TOP THREE CASUAL GAMER[4] GENRES[2] BY PLATFORM, U.S., 2025, % CASUAL GAMERS[4] THAT USE EACH PLATFORM

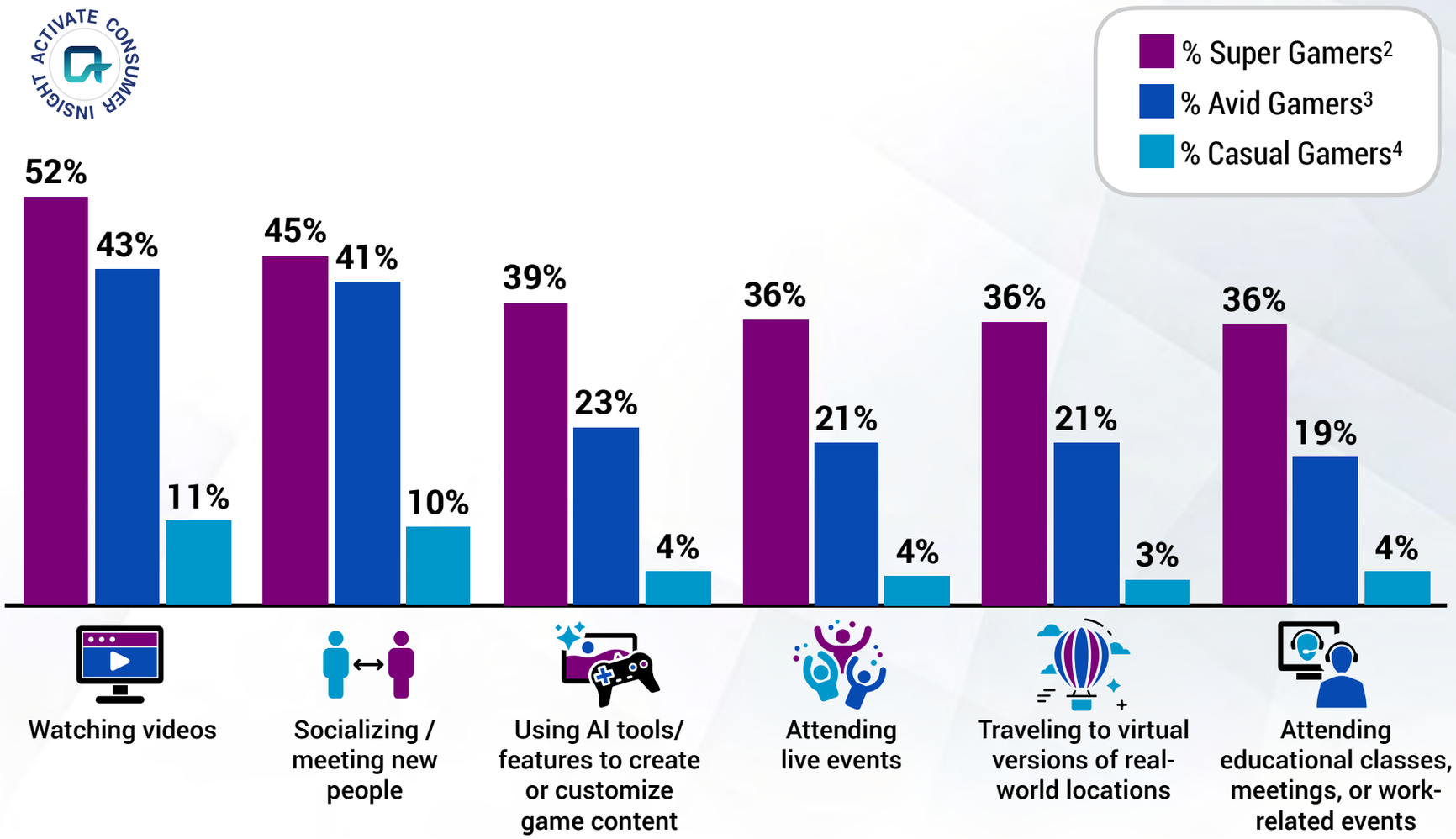
CASUAL GAMERS[4]

Rank	MOBILE		CONSOLE		PC	
1	Puzzle	49%	Fighting	18%	Board	20%
2	Trivia/ Word	39%	Action/ Adventure	16%	MOBA[5]	16%
3	Board	33%	Racing	15%	Simulation	15%

Note: "Gamers" are defined as adults aged 18+ who play video games. 1. "Super Gamers" are defined as gamers who view gaming as their primary source of entertainment and follow gaming content online. 2. Genre usage is defined as having played a genre in the last 12 months. 3. "Avid Gamers" are defined as gamers who view gaming as one of a few equivalent options for entertainment, or gamers who view gaming as their primary source of entertainment but do not follow gaming content online. 4. "Casual Gamers" are defined as gamers who only view gaming as an entertainment option when other options are not available, or gamers who view gaming as one of a few equivalent options for entertainment but do not follow gaming content online. 5. Multiplayer online battle arena.
6. Role-playing game.
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026)

Super Gamers are the most likely to participate in non-gaming activities within games, leading the way in adoption of immersive virtual world metaverse platforms

PARTICIPATION IN NON-GAMING ACTIVITIES WITHIN VIDEO GAMES IN THE LAST 12 MONTHS, U.S., 2025, % GAMERS[1] BY SEGMENT



EXAMPLE METAVERSE GAMES & VIRTUAL WORLD PLATFORMS

Alien Worlds · EVE Online · Fortnite · Grand Theft Auto V · horizon Worlds · Minecraft · No Man's Sky · Red Dead Redemption II · Roblox · Second Life · Rust · Zepeto · World of Warcraft

1. "Gamers" are defined as adults aged 18+ who play video games. 2. "Super Gamers" are defined as gamers who view gaming as their primary source of entertainment and follow gaming content online. 3. "Avid Gamers" are defined as gamers who view gaming as one of a few equivalent options for entertainment, or gamers who view gaming as their primary source of entertainment but do not follow gaming content online. 4. "Casual Gamers" are defined as gamers who only view gaming as an entertainment option when other options are not available, or gamers who view gaming as one of a few equivalent options for entertainment but do not follow gaming content online.
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026)

The majority of top earning PC/console games are installments of existing game franchises

TOP-EARNING[1] PAID PC AND CONSOLE VIDEO GAME TITLES, U.S., 2022-2024

New Franchise[2] | Sequel

	2022	2023	2024
1	**Call of Duty:** Modern Warfare II	**Hogwarts Legacy**	**Call of Duty:** Black Ops 6
2	**Elden Ring**	**Call of Duty:** Modern Warfare III	**EA Sports College Football 25**
3	**Madden NFL 23**	**Madden NFL 24**	**Helldivers II**
4	**God of War:** Ragnarok	**Marvel's Spider-Man 2**	**Dragon Ball:** Sparkling! Zero
5	**Lego Star Wars:** The Skywalker Saga	**The Legend of Zelda:** Tears of the Kingdom	**NBA 2K25**
6	**Pokemon Scarlet/Violet**	**Diablo IV**	**Madden NFL 25**
7	**FIFA 23**	**Call of Duty:** Modern Warfare II	**Call of Duty:** Modern Warfare III
8	**Pokemon Legends:** Arceus	**Mortal Kombat 1**	**EA Sports FC 25**
9	**Horizon 2:** Forbidden West	**Star Wars:** Jedi Survivor	**Elden Ring**
10	**MLB:** The Show 22	**EA Sports FC 24**	**EA Sports MVP Bundle**

1. Earnings include the revenue generated from the purchase of the game itself. Excludes in-game advertising or purchases. 2. "New Franchise" is defined as the first installment of a new game franchise, or a standalone title not connected to any existing franchise, released in the given year.
Sources: Activate analysis, Circana, Forbes, Statista

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The top franchises are controlled by the largest global gaming companies

GLOBAL TOP 10 GAMING COMPANIES BY 2024 GAMING REVENUE

1 SONY — $31B[1]



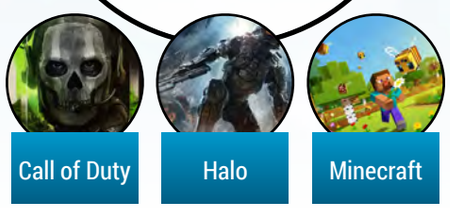
God of War | Marvel's Spiderman | The Last of Us

2 Tencent 腾讯 — $29B



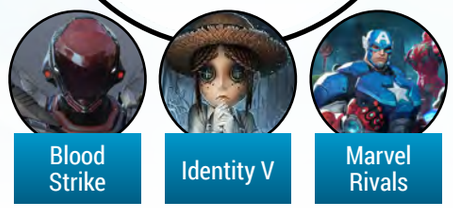
Honor of Kings | League of Legends | Valorant

3 Microsoft — $22B[2]



Call of Duty | Halo | Minecraft

4 NetEase Games — $12B[3]



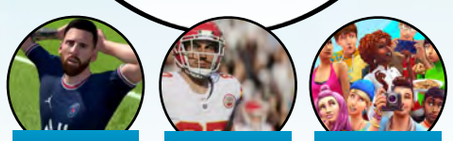
Blood Strike | Identity V | Marvel Rivals

5 Nintendo — $8B



Pokémon | Super Mario | The Legend of Zelda

6 Electronic Arts — $7B



EA Sports FC | Madden | The Sims

7 Epic Games — ~$6B[4]



Fall Guys | Fortnite | Rocket League

8 Take-Two Interactive — $5B



Grand Theft Auto | NBA 2K | Red Dead Redemption

9 miHoYo — ~$5B[4]



Genshin Impact | Honkai | Zenless Zone Zero

10 Roblox — $4B



Roblox

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1. Represents revenue from the "Game & Network Services" revenue segment. 2. Excludes all non-gaming related revenues.
3. Represents revenue from the "Games and Related Value-Added Services" revenue segment. 4. Estimated as company is private.
Sources: Activate analysis, Company filings, Company press releases, Company sites, Niko Partners, PitchBook

Technology companies are building out their capabilities and assets to become full-stack gaming enterprises

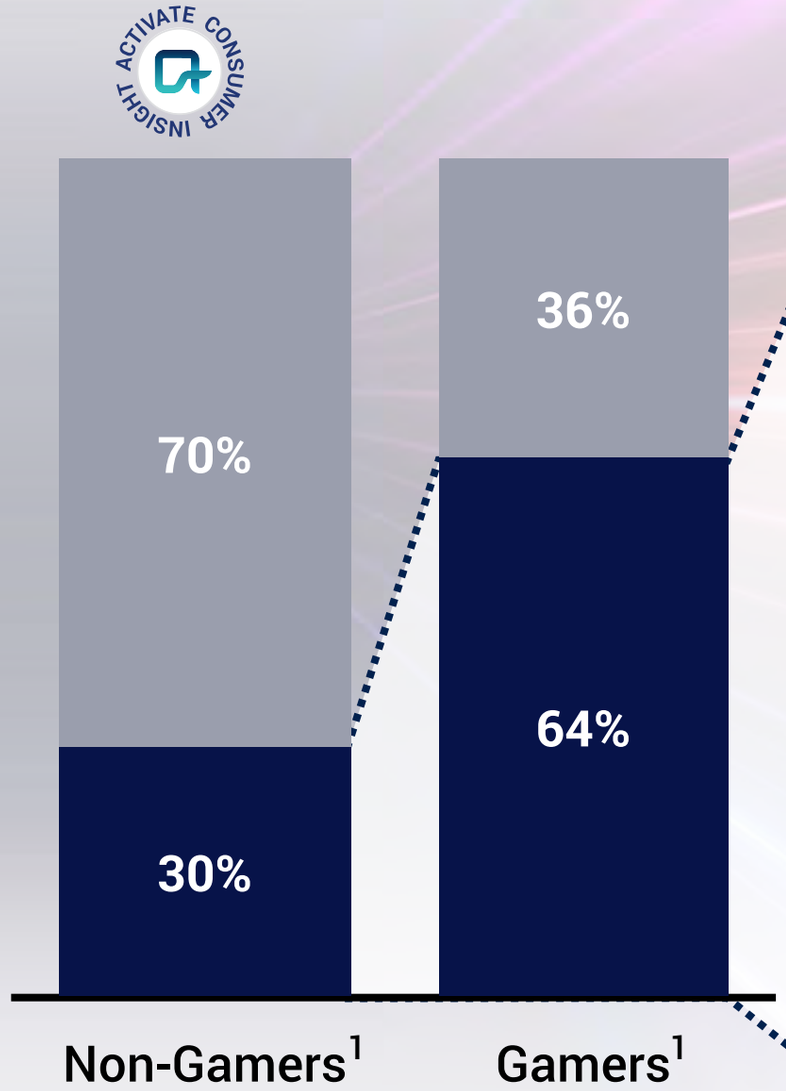
SELECT MAJOR TECHNOLOGY COMPANIES' PRESENCE IN GAMING

* Announced, not yet released	amazon	Apple	Google	Meta	Microsoft	NETFLIX	Nintendo	SONY	Tencent	VALVE
GAME PUBLISHER	amazon games			Meta studios oculus publishing	XBOX GAME STUDIOS; ACTIVISION BLIZZARD	NETFLIX GAMES	Nintendo	Sony Interactive Entertainment	Tencent Games	VALVE
VIRTUAL WORLD	amazon anywhere			horizon Worlds REALITY LABS	MINECRAFT; Microsoft Mesh					garry's mod[1]
CONSOLE[2]					XBOX		NINTENDO SWITCH	PlayStation	logitech G handheld Co-development	STEAM DECK
SPATIAL COMPUTING: AR/VR		Vision Pro		Meta Quest; Meta AI Glasses[3]				PlayStation VR2; SONY XYN		STEAMVR; VALVE INDEX
CLOUD	luna			facebook[4] gaming	CLOUD GAMING[5]	NETFLIX GAMES	NINTENDO SWITCH CLOUD STREAMING[6]	PlayStation Plus[7]	START云游戏	STEAM CLOUD PLAY
APP STORE	amazon appstore	App Store	Google Play	Meta Quest Store	Microsoft Store; MOBILE STORE*		My Nintendo	PlayStation Store	腾讯应用宝 Tencent App Store	STEAM
SUBSCRIPTION SERVICE	luna prime gaming	Arcade	Google Play Pass	Meta Quest+	GAME PASS	NETFLIX GAMES	ONLINE Nintendo Switch Online	PlayStation Plus	START云游戏	
GAMING AS VIDEO	twitch		YouTube	facebook[4] gaming					HUYA; trovo	STEAMTV

Note: Not exhaustive. As of Aug. 2025. Does not include areas in which a company is a majority stakeholder. 1. Engine created by Valve and game eventually published by Valve, but independently developed by Garry Newman and Facepunch Studios. 2. Excludes devices with a primary purpose other than gaming (e.g., Apple TV). 3. Not specifically used for gaming. 4. Meta does not offer a standalone cloud service but allows streaming of select games through Facebook on Android and web. The standalone Facebook Gaming app for iOS and Android was shut down in Oct. 2022, but gaming features will remain available in the main Facebook app. 5. Only available through a bundle with Xbox Game Pass Ultimate. 6. On a game-by-game basis, not as a subscription or service. 7. Only available through a bundle with PlayStation Plus Premium subscription.
Sources: Activate analysis, Company press releases, Company sites

Gaming as video content is now a core form of entertainment for both gamers and non-gamers

VIEWERSHIP OF GAMING CONTENT IN THE LAST 12 MONTHS, U.S., 2025, % ADULTS AGED 18+ BY GAMING BEHAVIOR



LIVESTREAMS



ESPORTS



RECORDED FULL GAMEPLAY



SHOULDER CONTENT

(E.G., HIGHLIGHTS, GAME REVIEWS/NEWS)



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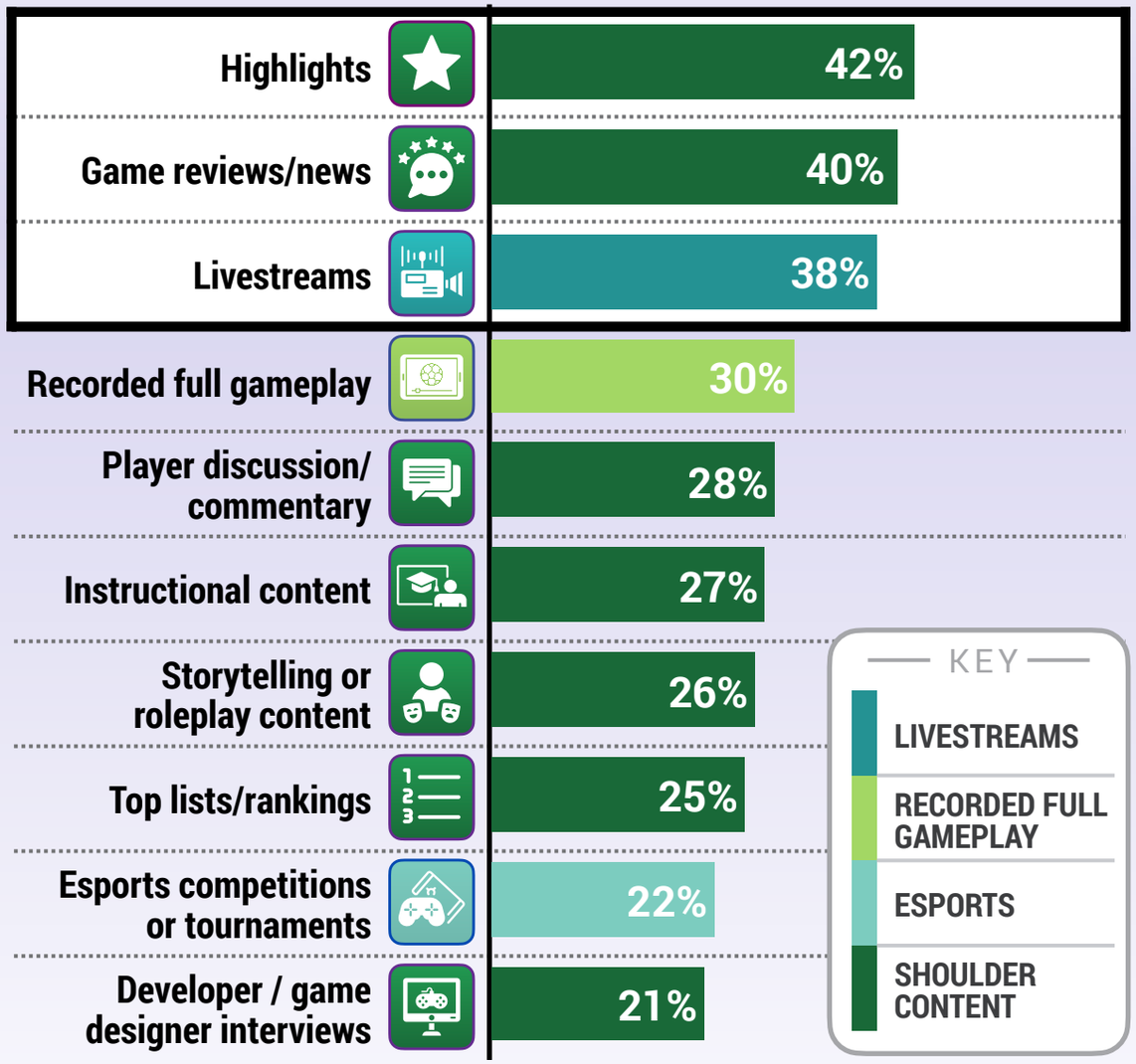
1. "Gamers" are defined as adults aged 18+ who play video games.
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026)

YouTube, TikTok, and Instagram are the leading platforms for gaming video content, with highlights, game reviews/news, and livestreams as the most popular formats

PLATFORMS USED FOR WATCHING GAMING CONTENT[1] IN THE LAST 12 MONTHS, U.S., 2025, % GAMERS[2]

RANK	PLATFORM	% USAGE
1	YouTube	75%
2	TikTok	45%
3	Instagram	44%
4	facebook	36%
5	X (formerly Twitter)	28%
6	twitch	25%
7	Discord	19%

TOP CONTENT FORMATS WATCHED IN THE LAST 12 MONTHS, U.S., 2025, % GAMING CONTENT WATCHERS[3]

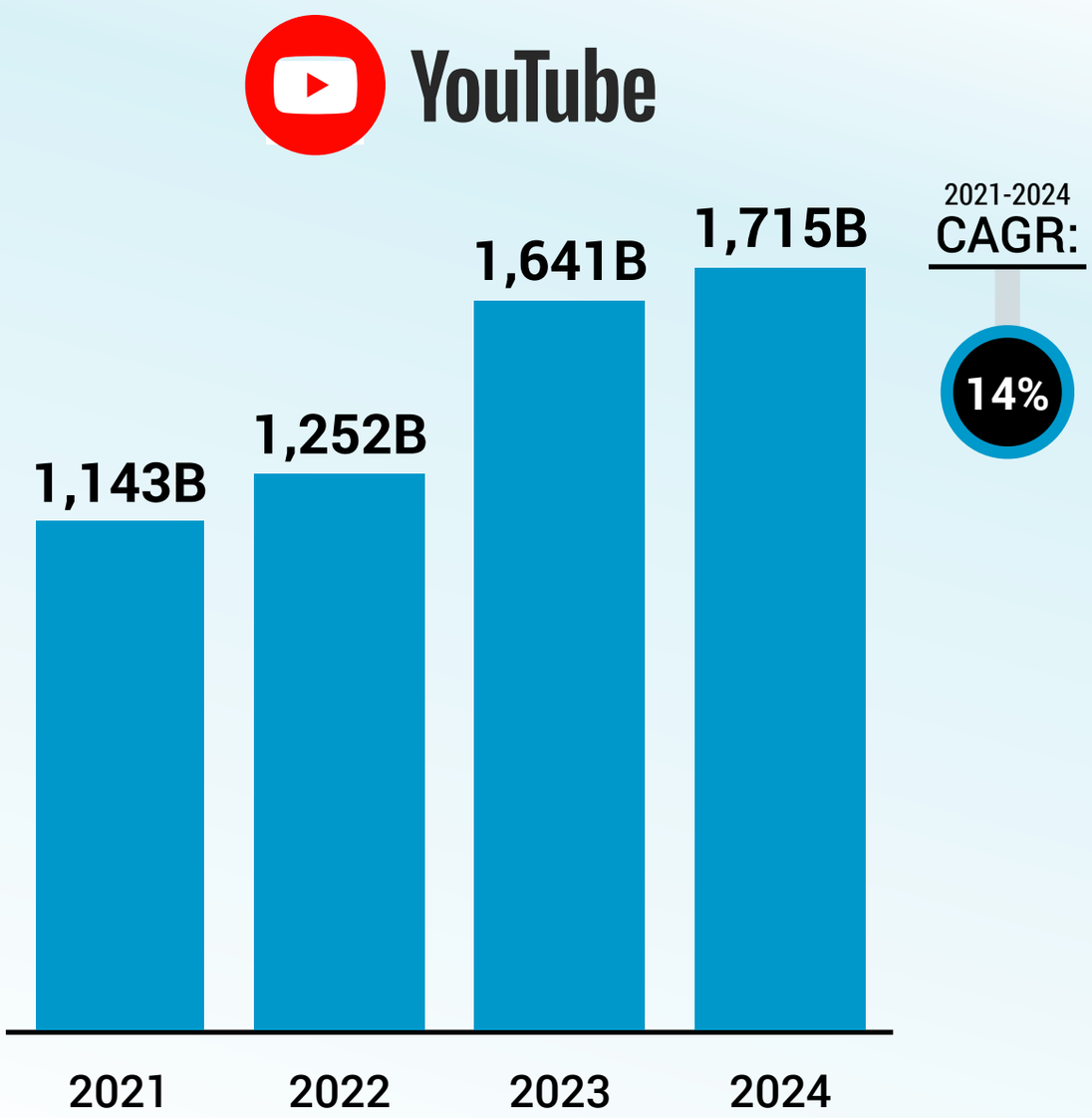


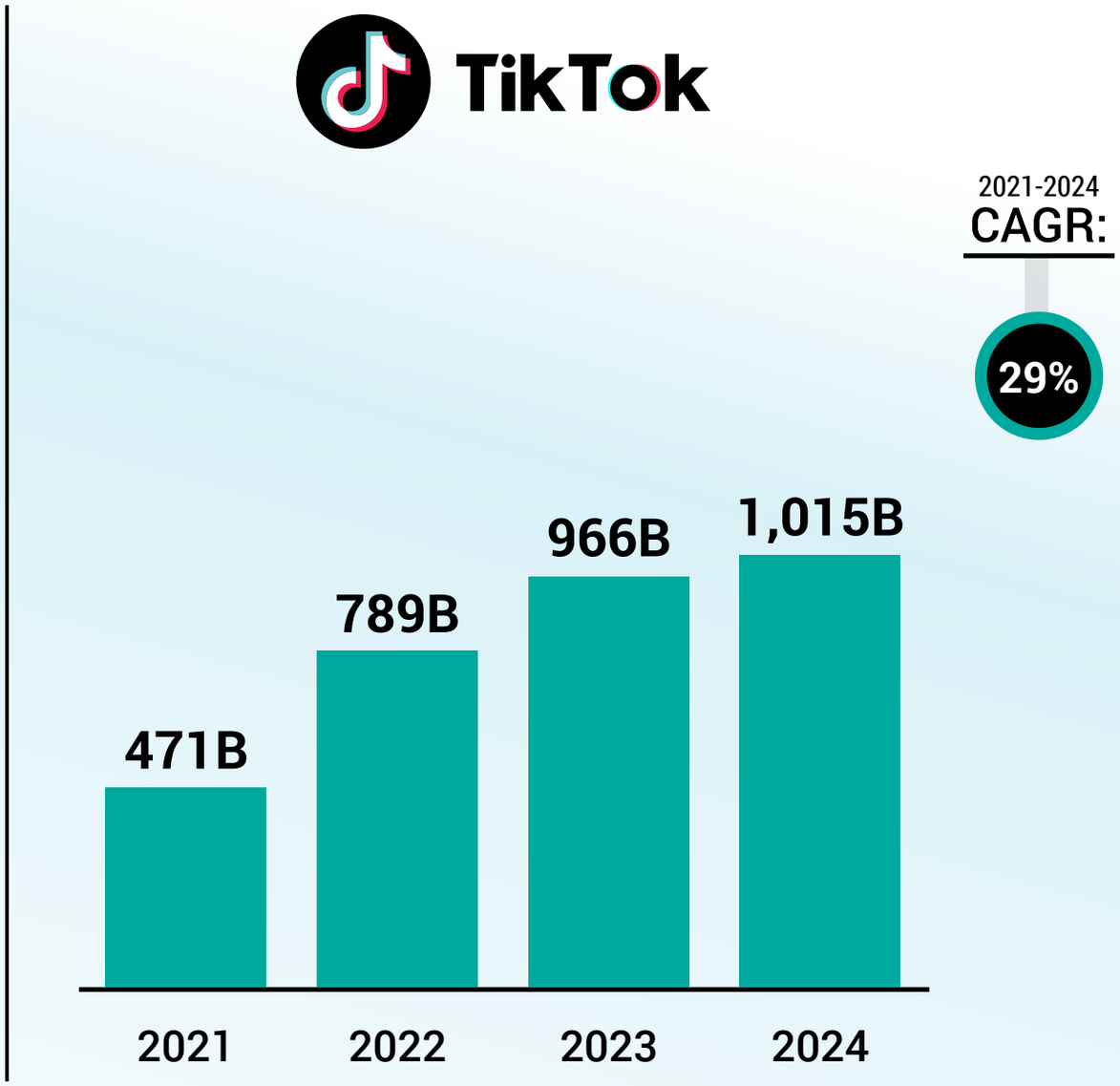
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1. Gaming content includes livestreams, esports, recorded full gameplay, and shoulder content. 2. "Gamers" are defined as adults aged 18+ who play video games. 3. "Gaming content watchers" are defined as gamers who also watched gaming content in the last 12 months.
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026)

Gaming-related video views on YouTube and TikTok have increased from 2021 to 2024, highlighting an overall growth in content engagement

TOTAL GAMING VIDEO[1] VIEWS BY PLATFORM, GLOBAL, 2021-2024, BILLIONS VIEWS





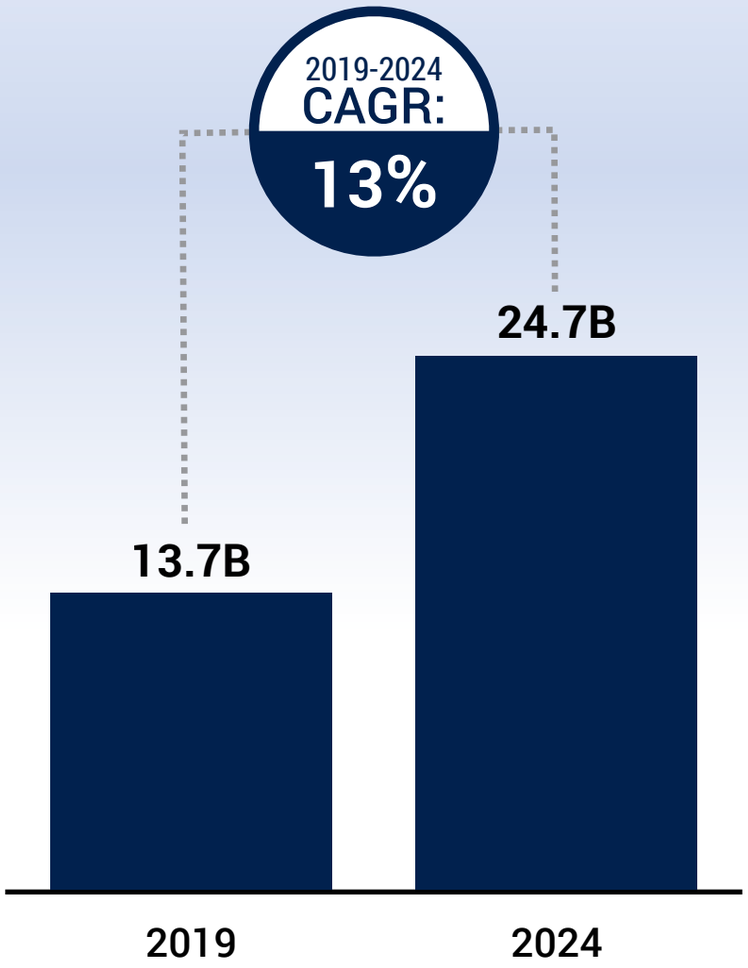
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1. “Gaming videos” include any videos about video games, gaming-related media, and video gaming franchises.
Sources: Activate analysis, Tubular Labs

tubular
ACTIVATE DATA PARTNER

Twitch and YouTube Gaming account for over 85% of total gaming livestream viewership

GAMING LIVESTREAM VIEWERSHIP[1] ON MAJOR LIVESTREAM GAMING PLATFORMS, GLOBAL, 2019 VS. 2024, BILLIONS HOURS WATCHED

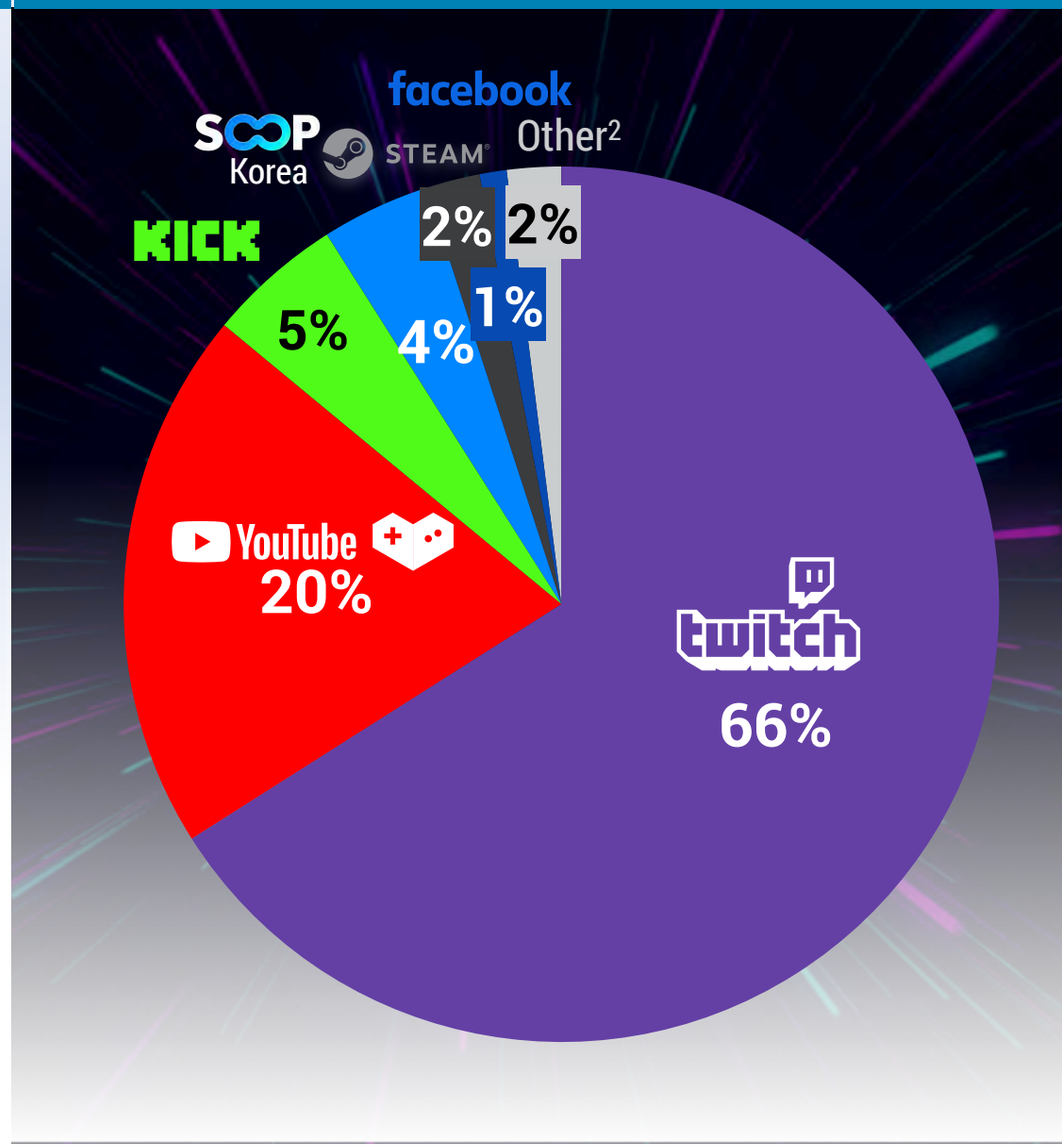


*The top 10 games account for **39%** of 2024 livestream view time*

2024 TOP GAMES BY LIVESTREAM VIEWERSHIP[1]



TOP LIVESTREAM GAMING PLATFORMS, GLOBAL, 2024, % TOTAL HOURS WATCHED



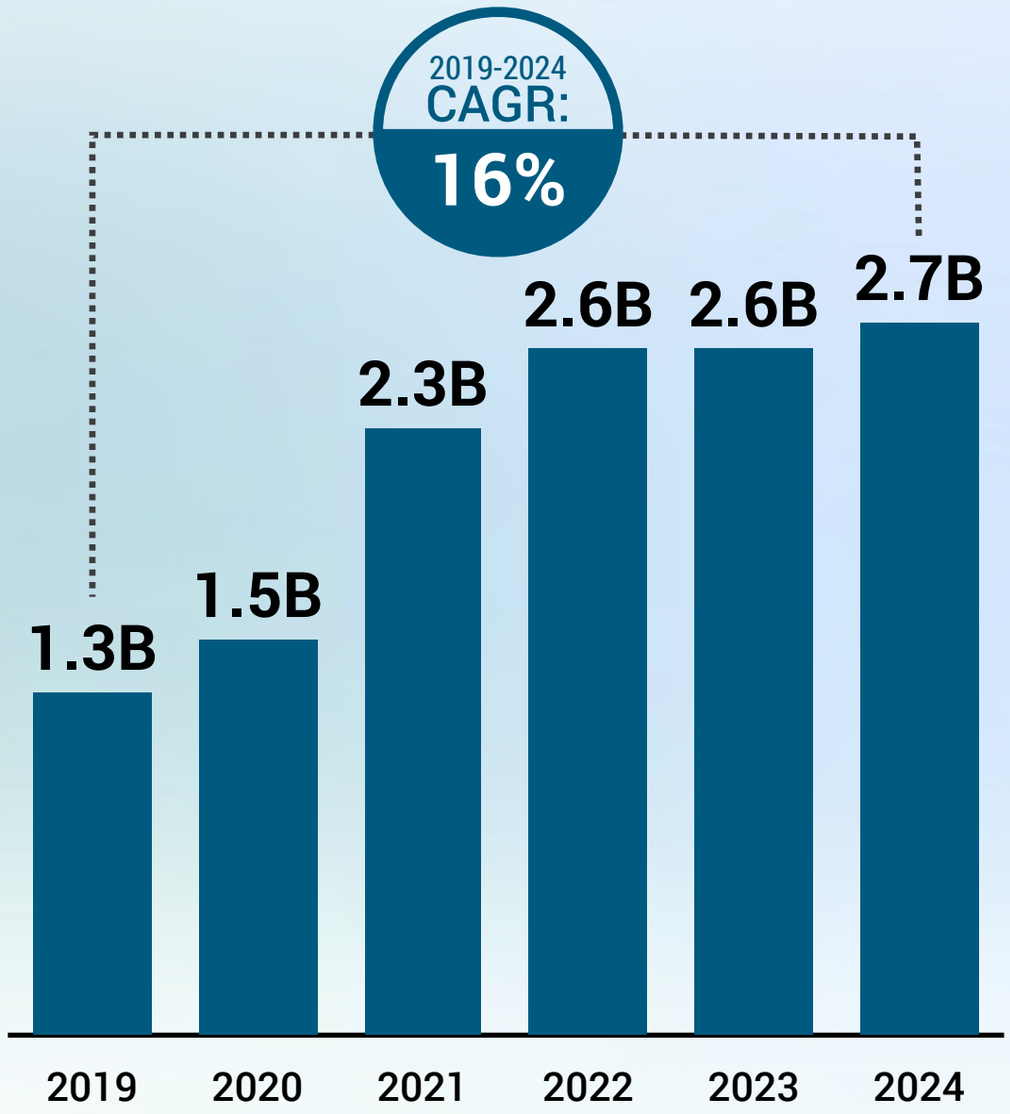
1. Includes Bigo, Chzzk, Facebook, Kakao, Kick, Loco, Mildom, Mixer, Nonolive, Openrec, Rooter, SOOP Korea, Steam, Trovo, Twitch, and YouTube Gaming. 2. "Other" includes Bigo, Chzzk, Kakao, Loco, Mildom, Mixer, Nonolive, Openrec, Rooter, and Trovo.
Sources: Activate analysis, Stream Hatchet

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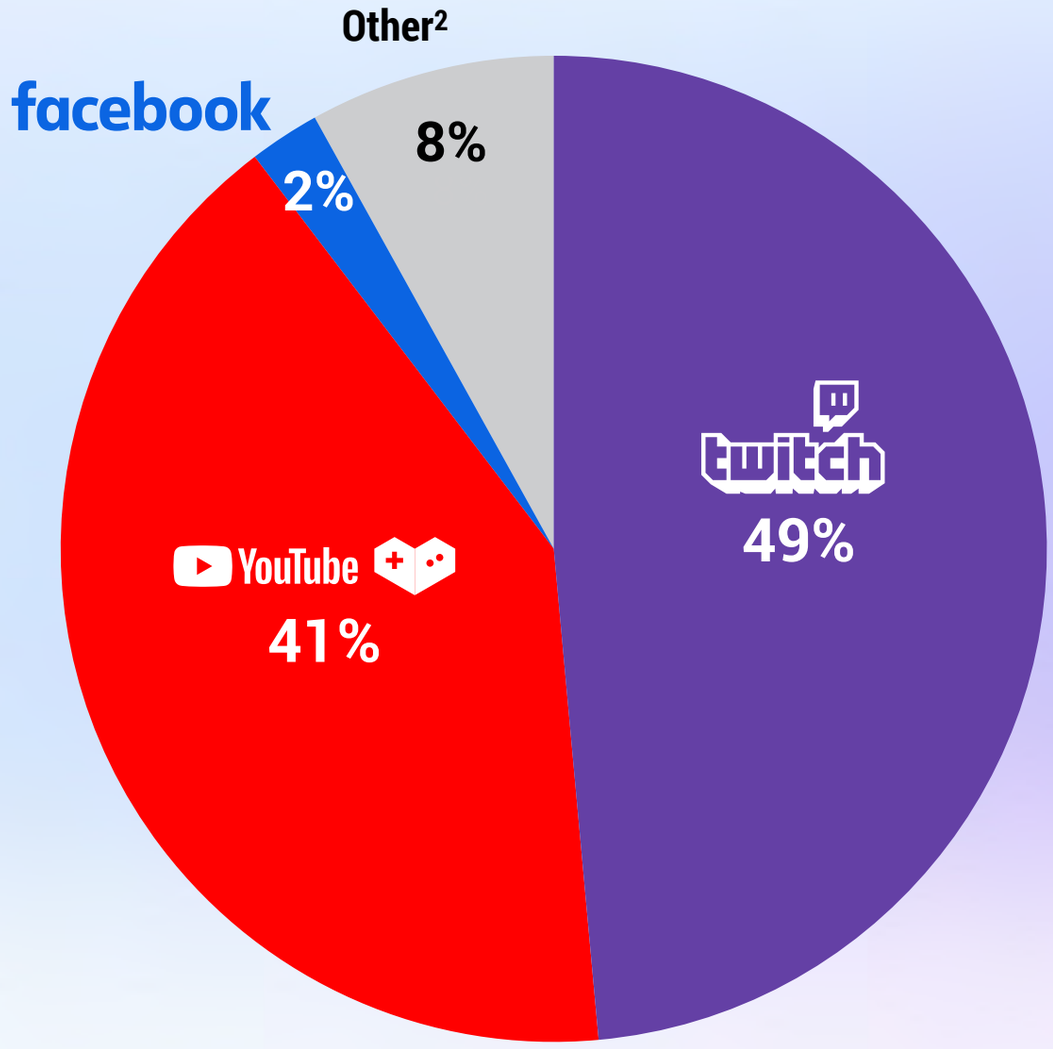
STREAM HATCHET
ACTIVATE DATA PARTNER

Global esports viewership has doubled since 2019; most of the viewership is on Twitch and YouTube

VIEWERSHIP OF MAJOR ESPORTS TOURNAMENTS[1], GLOBAL, 2019-2024, BILLIONS HOURS WATCHED



TOP ESPORTS VIEWING PLATFORMS, GLOBAL, 2024, % TOTAL HOURS WATCHED



1. Viewership of all major tournaments tracked globally by Stream Hatchet. 2. "Other" includes platforms with less than 2% of total hours watched: Afreeca, Bigo, Chzzk, Kick, Loco, Mildom, Naver, Openrec, Rooter, Soop, Steam, Tiktok, and Trovo.
Sources: Activate analysis, Stream Hatchet

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STREAM HATCHET
ACTIVATE DATA PARTNER

There are massive populations of people watching top esports competitions

VIEWERSHIP OF MOST WATCHED ESPORTS GAMES, GLOBAL EXCLUDING CHINA, 2023 VS. 2024, MILLIONS HOURS WATCHED

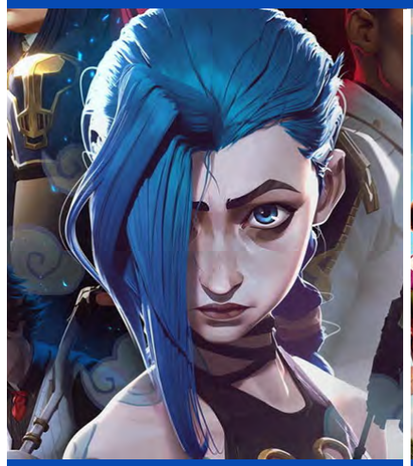


Sources: Activate analysis, Esports Insider, Stream Hatchet

Gaming IP is fueling blockbuster content, with studios turning hit titles into high-performing TV and film franchises

SELECT TV/FILM ADAPTATIONS OF GAMING IP

RELEASED



ARCANE (SEASON 2)
NOVEMBER 2024

NETFLIX

Based on League of Legends, ***Arcane*** won four Emmys and attracted both gaming and non-gaming audiences, with Season 2 released in 2024



A MINECRAFT MOVIE
APRIL 2025

WARNER BROS.

A Minecraft Movie grossed ~$955M globally on a ~$150M budget, becoming the highest-grossing video game film of all time



TWISTED METAL (SEASON 2)
JULY 2025

PEACOCK

The first season of ***Twisted Metal*** became Peacock's most-binged comedy premiere, logging 400M minutes watched in its launch weekend, with Season 2 earning a 94% critic score

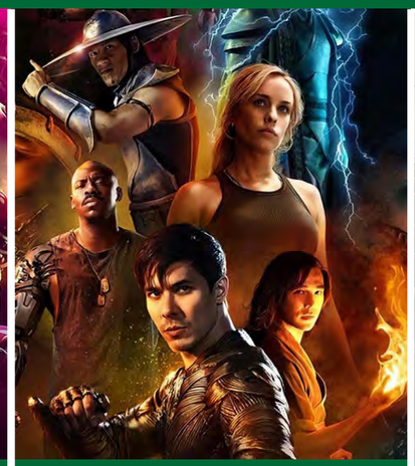
SCHEDULED



FIVE NIGHTS AT FREDDY'S 2
DECEMBER 2025

UNIVERSAL

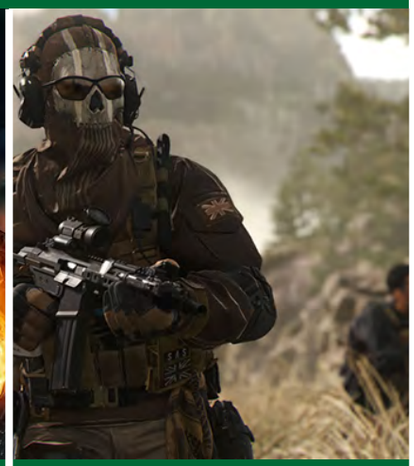
Following a $291M global gross on a $20M budget for ***Five Nights at Freddy's***, the sequel is set to release in December 2025



MORTAL KOMBAT 2
MAY 2026

WARNER BROS.

Building on the 2021 reboot's strong box office and streaming performance, the sequel returns in May 2026



CALL OF DUTY
NOT YET ANNOUNCED

PARAMOUNT

Paramount announced a partnership with Activision to adapt the 30+ game ***Call of Duty*** franchise for film, though no release date has been confirmed

Sources: Activate analysis, Company press releases, Company sites

CREATED FOR ACTIVATE BY ASW

THE VIDEO GAME HAS CHANGED: HOW AI WILL REWRITE THE RULES OF VIDEO GAMING

Generative AI will increasingly transform every layer of the gaming ecosystem

IN-GAME EXPERIENCE

- Intelligent NPCs[1]
- Dynamic World-Building
- Adaptive Gameplay
- Player Assistance & Coaching

ILLUSTRATIVE EXAMPLES

NVIDIA ACE · Google Genie 3 · Microsoft Gaming Copilot · Nintendo MARIOKART WORLD · Tencent 腾讯 · RAZER Ava · EA SPORTS FIFA · convai

GAME CREATION & DEVELOPMENT

- Procedural Content Generation
- Art & Asset Creation
- Code Assistance
- Narrative Design

ILLUSTRATIVE EXAMPLES

Microsoft MUSE · Layer · inworld · XBOX Project Explora · HELLO GAMES No Man's Sky · Google Firebase · GitHub Copilot · ROSEBUD.AI

USERS AS CREATORS

- UGC[2] Empowerment
- AI Co-Creation
- Streaming & Content Creation
- Personal Avatars & Expression

ILLUSTRATIVE EXAMPLES

ROBLOX · FORTNITE · runway ML · logitech streamlabs · inworld · READY PLAYER ME · POWDER

Generative AI in Gaming

DATA & ANALYTICS

- Automated Testing & QA
- Player Behavior Analysis
- Engagement & Retention
- Fraud & Security

ILLUSTRATIVE EXAMPLES

NVIDIA Project G-Assist · CONFLUENT × databricks · anybrain · RAZER · Tencent Cloud · aws SageMaker Canvas

COMMERCE & ADVERTISING

- Generative Ad Creatives
- In-Game Ad Placements
- Ad Mediation & Yield Optimization
- Virtual Economy Optimization

ILLUSTRATIVE EXAMPLES

sett · DMARKET · unity LevelPlay · BIDSTACK · VIANT.

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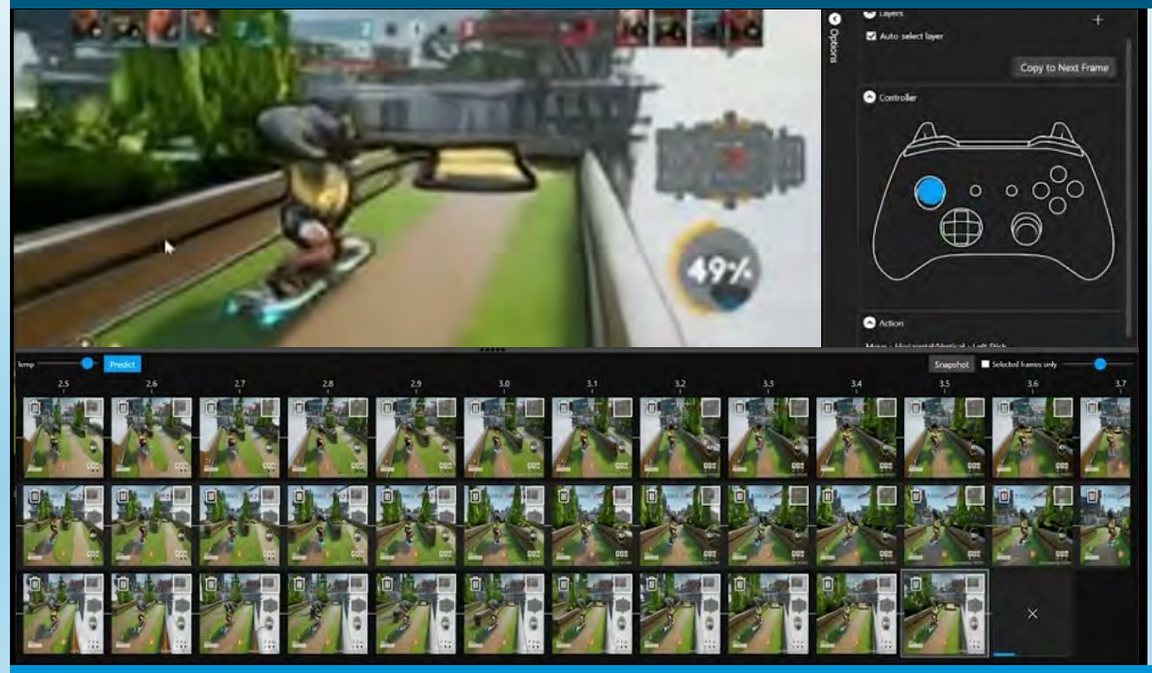
1. Non-player character. 2. User-generated content.
Source: Activate analysis

Game Creation & Development: AI is transforming game development with faster world-building and scalable asset creation

GAME CREATION & DEVELOPMENT: EXAMPLE AI COMPANIES AND TOOLS

PROCEDURAL CONTENT GENERATION:

Automatically generates levels, maps, quests, and environments to expand worlds faster

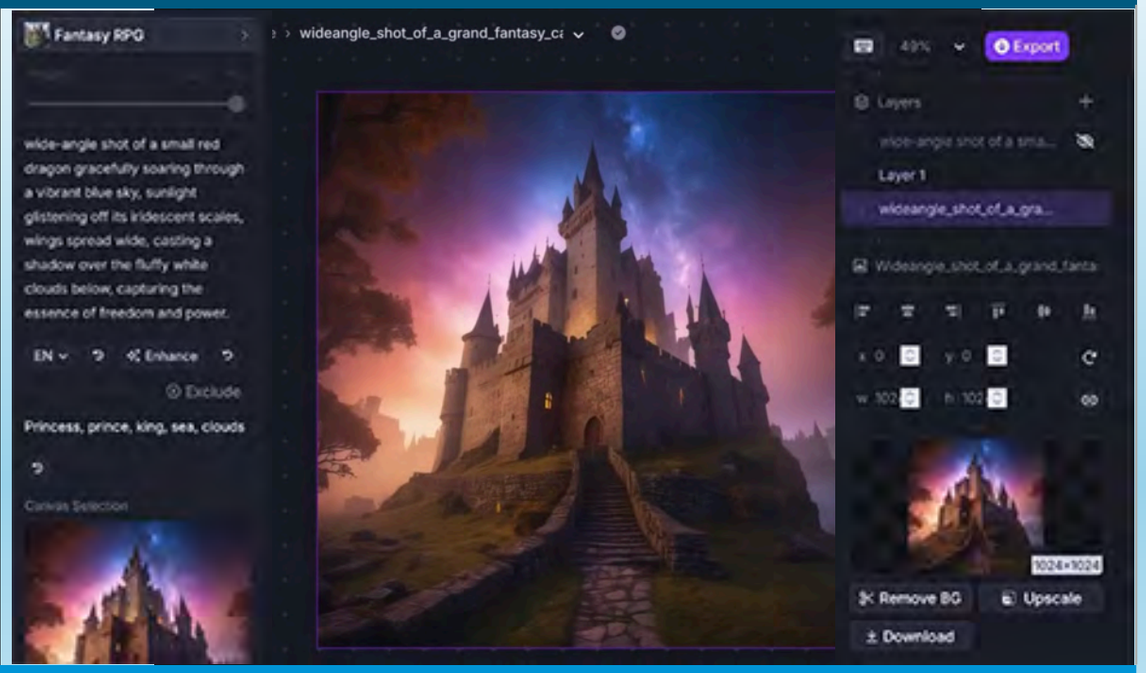


Microsoft MUSE

Generates physics, visuals, and low-fidelity prototypes to accelerate iteration and modernize classic game mechanics

ART & ASSET CREATION:

Produces textures, characters, animations, and 3D models to accelerate the creative process



Layer™

Produces 2D, 3D, audio, and animation assets at scale, enabling developers to generate texture variants and characters directly within Unity or Unreal game engines

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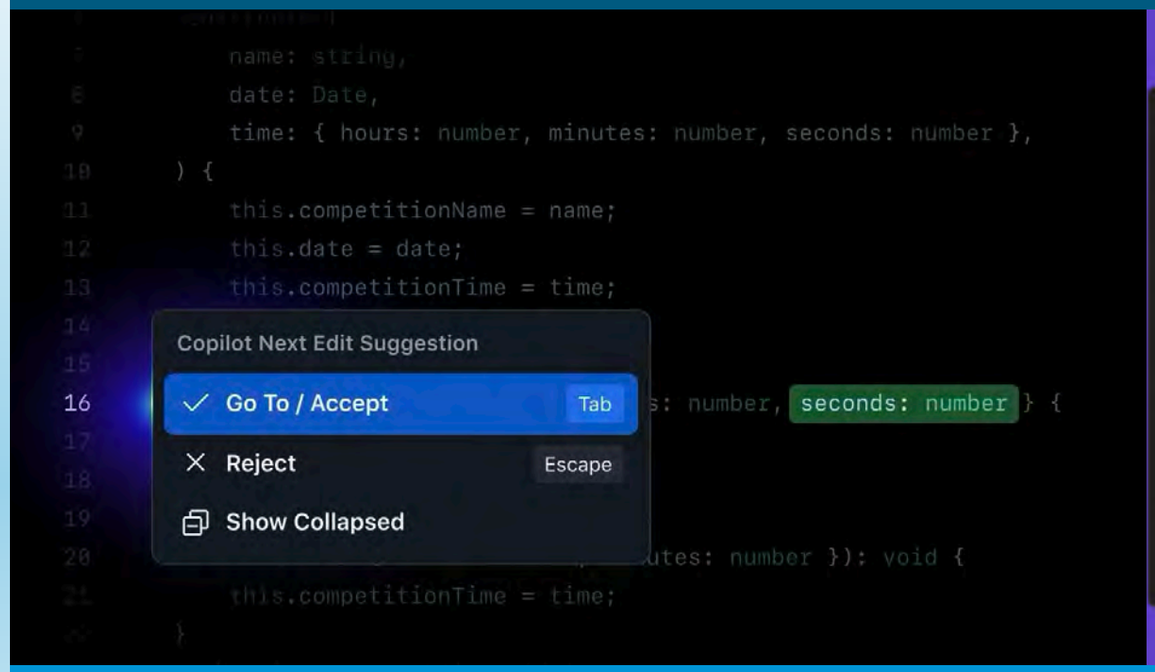
Sources: Activate analysis, Company press releases, Company sites

Game Creation & Development: AI accelerates coding and storytelling, enabling more dynamic and personalized narratives

GAME CREATION & DEVELOPMENT: EXAMPLE AI COMPANIES AND TOOLS

CODE ASSISTANCE:

Assists with coding, debugging, and performance tuning to shorten development cycles

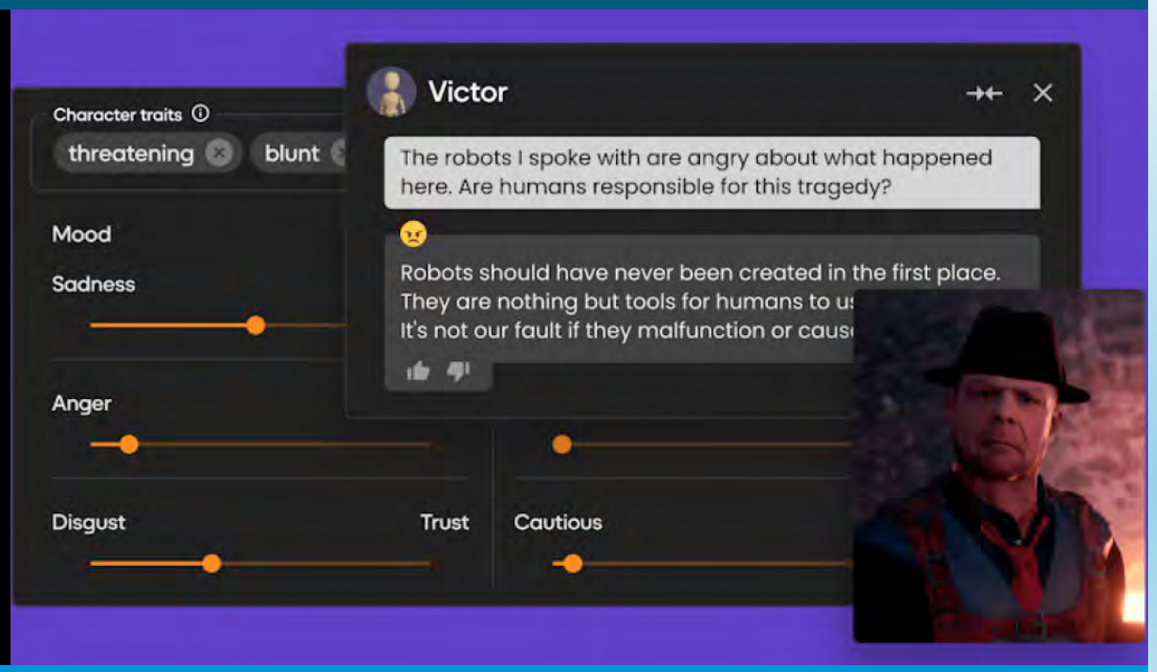


GitHub Copilot

Suggests code, scripts, and debugging fixes in real time, helping developers automate mod scripting and AI behaviors in game engines

NARRATIVE DESIGN:

Creates branching storylines and dialogues that adapt to different player choices and play styles



inworld | **XBOX Project Explora**

Prototypes branching narratives using a graph-based tool that parses scripts and suggests dialogue, streamlining RPG[1] and visual novel development

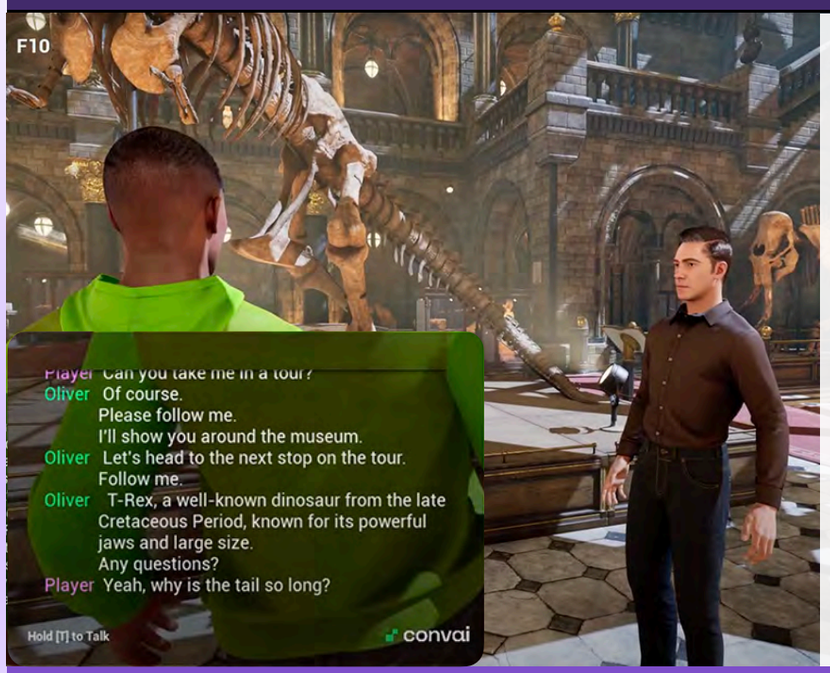
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1. Role-playing game.
Sources: Activate analysis, Company press releases, Company sites

In-Game Experience: AI powers intelligent NPCs and dynamic environments that respond to player behavior

IN-GAME EXPERIENCE: EXAMPLE AI COMPANIES AND TOOLS

INTELLIGENT NPCS[1]:
Powers characters with natural, unscripted behavior and dialogue



VOICE CONVERSATION WITH GENERATIVE AI POWERED NPC:

Oliver: Welcome to the Natural History Museum! Here, you'll explore the wonders of the past. What would you like to do next?

Player: Can you take me on a tour?

Oliver: Of course, follow me. I'll show you around. Any questions so far?

Player: Why is the T-Rex tail so long?

Oliver: The long tail of the T-Rex serves as a counterbalance.

DYNAMIC WORLD-BUILDING:
Builds environments and events that shift in real time based on player actions



convai

Creates NPCs[1] with adaptive dialogue trees that evolve based on player actions, enabling dynamic interactions like reputation-based pricing

Google Genie 3

Generates 3D environments from text prompts with physics and memory, allowing terrain to reshape dynamically after gameplay events

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1. Non-player character.
Sources: Activate analysis, Company press releases, Company sites

In-Game Experience: Gameplay adapts in real time, with AI delivering personalized challenges and coaching

IN-GAME EXPERIENCE: EXAMPLE AI COMPANIES AND TOOLS

ADAPTIVE GAMEPLAY:

Adjusts difficulty levels and challenges automatically to match player skills

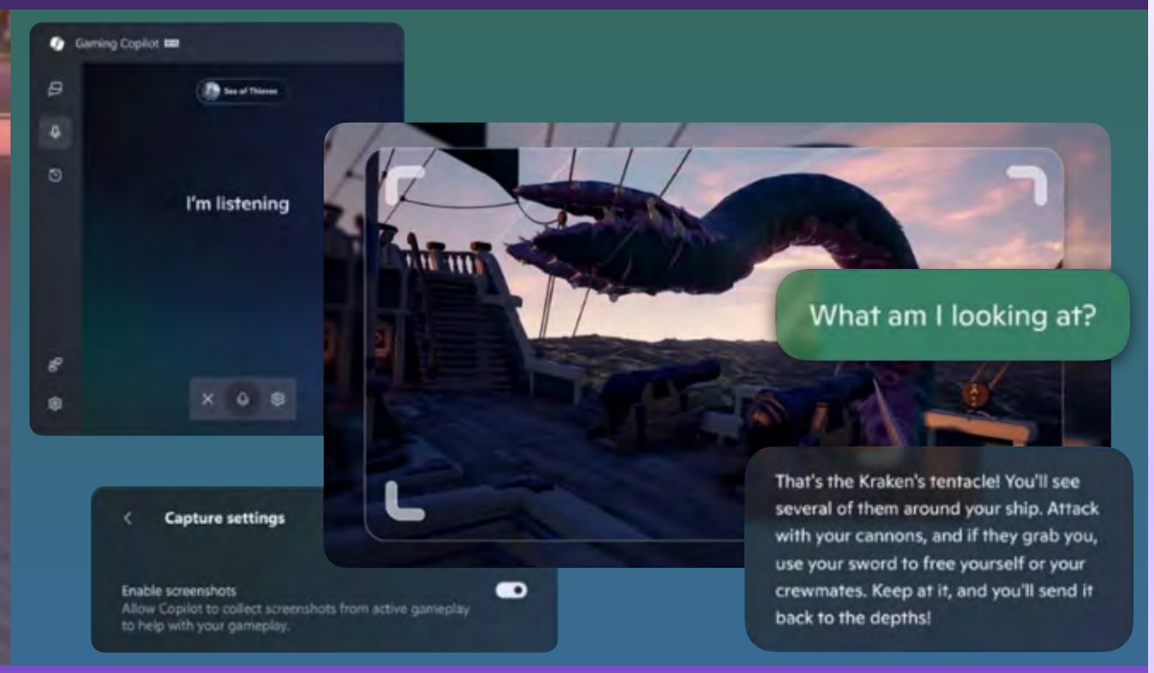


MARIOKART WORLD

Leverages AI-driven rubber-banding to dynamically adjust racer behavior and item distribution, balancing difficulty while maintaining competitiveness

PLAYER ASSISTANCE & COACHING:

Provides real-time hints, tips, and guidance to help players progress and improve performance



Microsoft Gaming Copilot

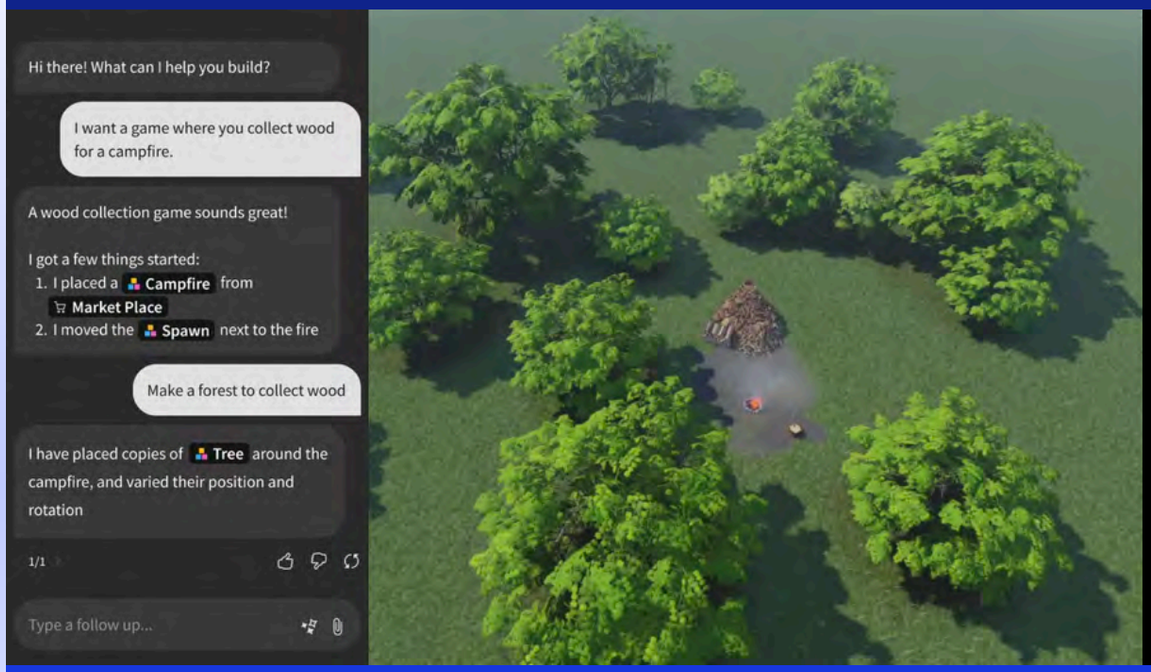
Delivers optional, real-time in-game support through AI-activated pop-up interface, offering achievement tracking and strategic insights by analyzing gameplay via voice commands and screenshots

Sources: Activate analysis, Company press releases, Company sites

Users as Creators: AI enables players to become creators, lowering barriers to modding and world-building

USERS AS CREATORS: EXAMPLE AI COMPANIES AND TOOLS

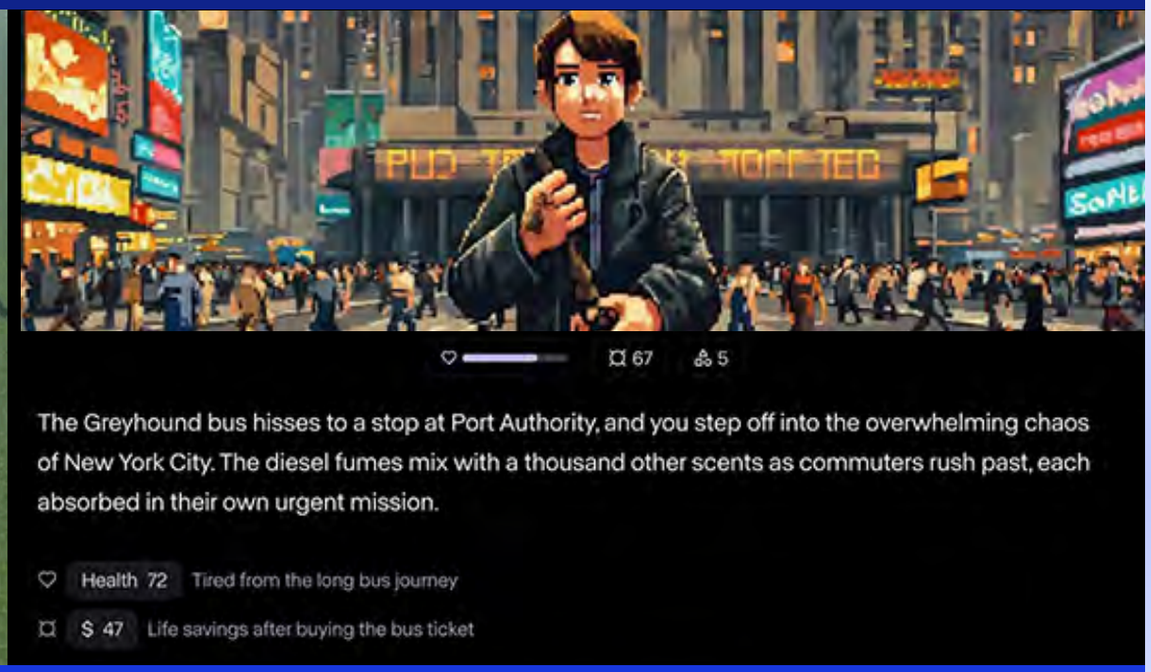
UGC[1] EMPOWERMENT:
Enables players to design characters, levels, or mods with natural language tools



ROBLOX

Enables creators to build and script interactive 3D scenes using natural language, lowering the barrier for younger users and indie developers

AI CO-CREATION:
Empowers collaborative design with players to build stories, worlds, or experiences



runway ML

Generates characters and multimodal game prototypes from text prompts in Runway's Game Worlds (i.e., AI-driven platform for creating narrative worlds), allowing rapid concept testing without coding

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1. User-generated content.
Sources: Activate analysis, Company press releases, Company sites

Users as Creators: AI enhances creator tools, powering personalized avatars and automated content production

USERS AS CREATORS: EXAMPLE AI COMPANIES AND TOOLS

STREAMING & CONTENT CREATION:

Automates commentary, highlight reels, and overlays to support creators



logitech streamlabs

Provides streamers with a 3D AI sidekick that co-hosts, manages scenes, and answers chat, reducing downtime and boosting engagement

PERSONAL AVATARS & EXPRESSION:

Personalizes player identity with custom voices, likeness, or animations



READY PLAYER ME

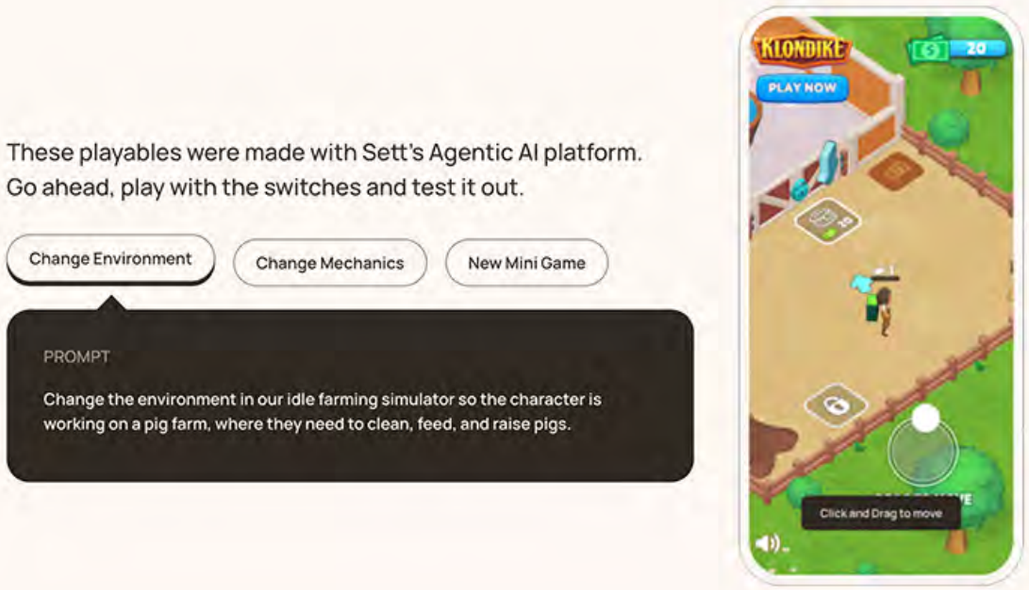
Generates personalized, cross-platform 3D avatars that users can import into VRChat, Roblox, and other virtual worlds

Commerce & Advertising: AI maximizes monetization with optimized ad delivery and immersive brand placements

COMMERCE & ADVERTISING: EXAMPLE AI COMPANIES AND TOOLS

GENERATIVE AD CREATIVES:

Creates and optimizes gamified ads through AI-driven testing to maximize engagement and performance

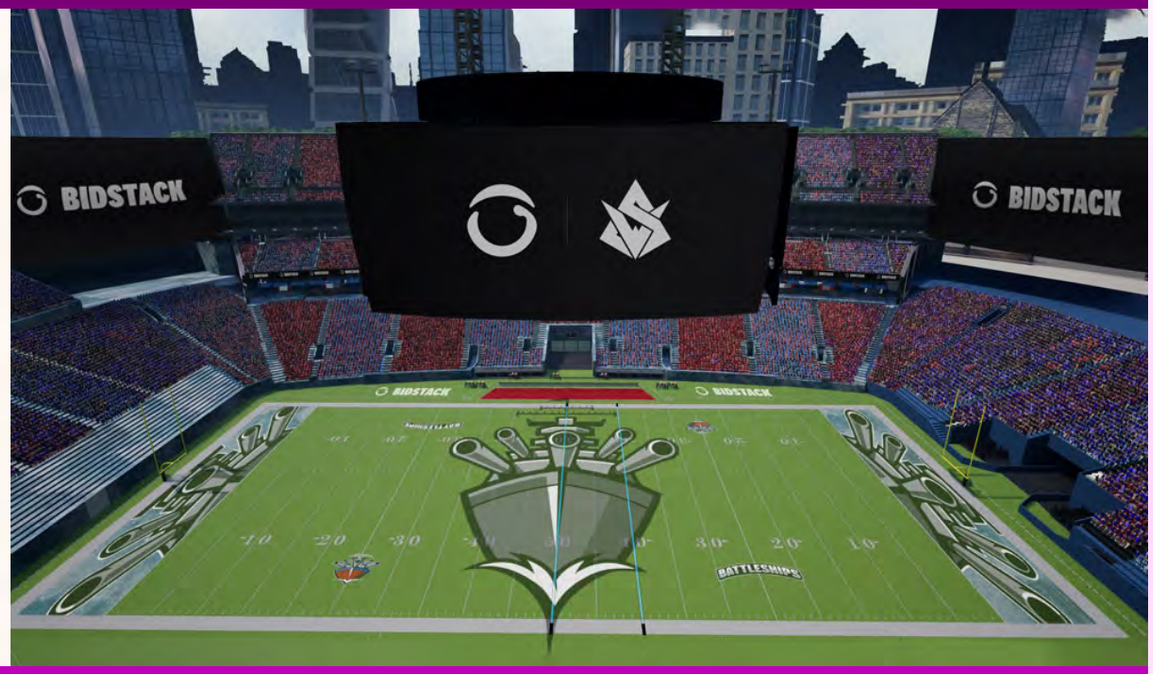


sett

Uses generative and adaptive AI to analyze gameplay behavior, automatically produce and refine ad creatives, and continuously optimize user acquisition through real-time testing and self-learning

IN-GAME AD PLACEMENTS:

Integrates ads and branded content into the game in immersive, context-aware, and non-disruptive ways



BIDSTACK

Delivers dynamic, programmatic in-game advertising by placing context-aware brand assets (e.g., billboards, signage, branded environments) directly within gameplay

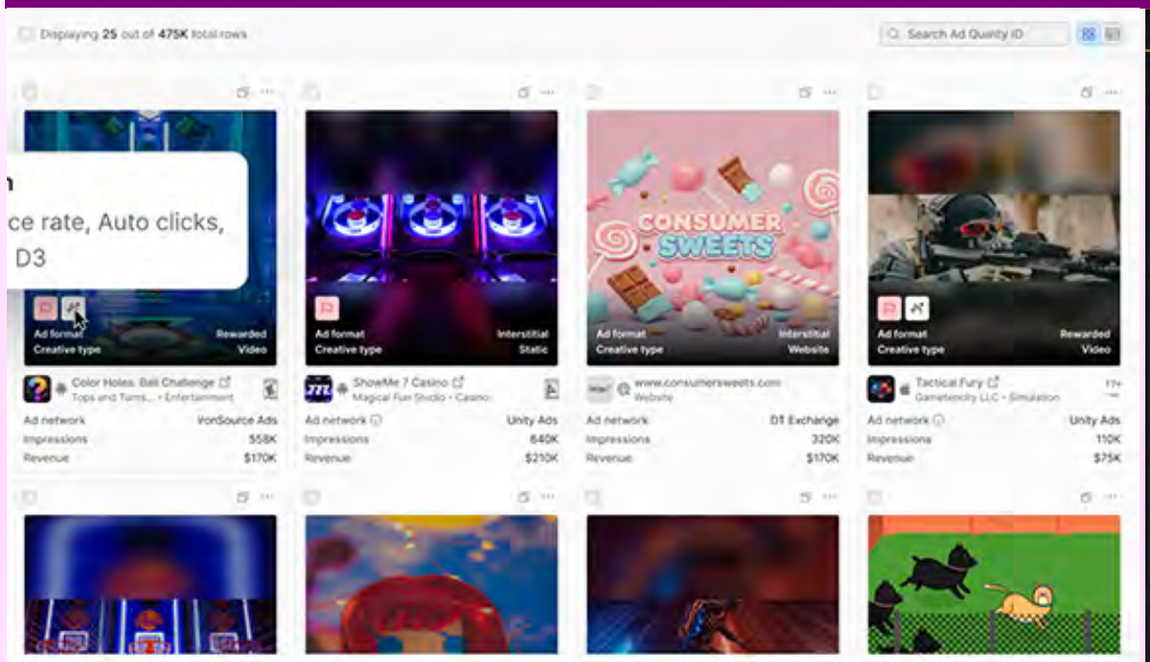
Sources: Activate analysis, Company press releases, Company sites

Commerce & Advertising: AI personalizes in-game commerce and optimizes virtual economies for engagement and revenue

COMMERCE & ADVERTISING: EXAMPLE AI COMPANIES AND TOOLS

AD MEDIATION & YIELD OPTIMIZATION:

Maximizes revenue by managing and optimizing campaign performance across multiple ad networks through AI

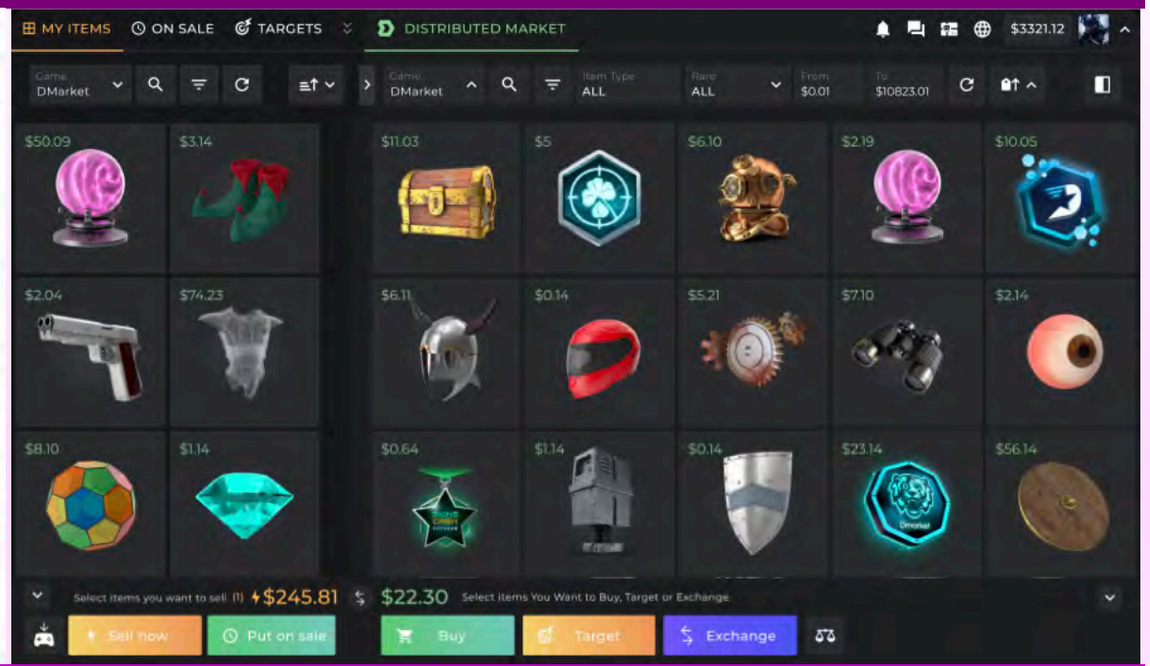


unity LevelPlay

Automates bidding, optimizes ad waterfalls, and delivers personalized ad experiences at scale, helping developers maximize both revenue and player experience

VIRTUAL ECONOMY OPTIMIZATION:

Balances pricing, scarcity, and rewards to maximize engagement and revenue



DMARKET

Evaluates supply/demand dynamics, item scarcity, and transaction history in digital marketplaces, enabling developers to fine-tune pricing, rewards, and asset circulation

Sources: Activate analysis, Company press releases, Company sites

Data & Analytics: AI improves game operations with real-time testing/QA and behavioral analytics

DATA & ANALYTICS: EXAMPLE AI COMPANIES AND TOOLS

AUTOMATED TESTING & QA:

Detects bugs and automates performance testing to improve game stability

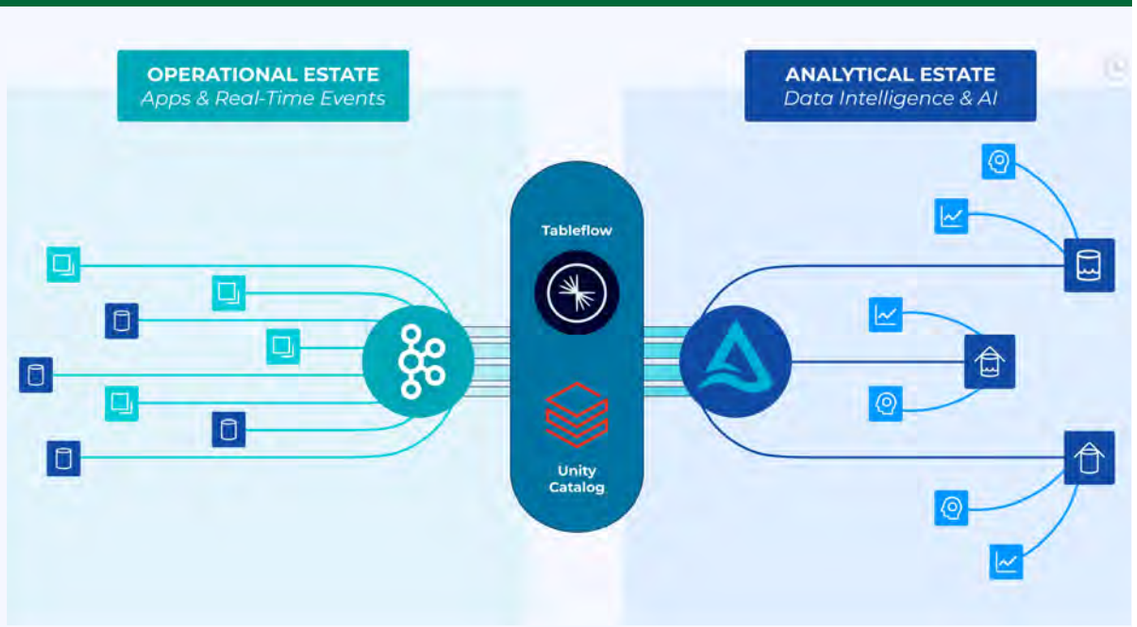


NVIDIA Project G-Assist

Optimizes game settings by analyzing performance metrics (e.g., frameworks, latency) and identifying hardware bottlenecks in open-world betas

PLAYER BEHAVIOR ANALYSIS:

Analyzes activity with real-time monitoring to detect toxicity and support healthier communities



CONFLUENT X databricks

Streams gameplay data through real-time data tools to detect toxic behavior in real time, enabling esports platforms to flag harassment mid-match

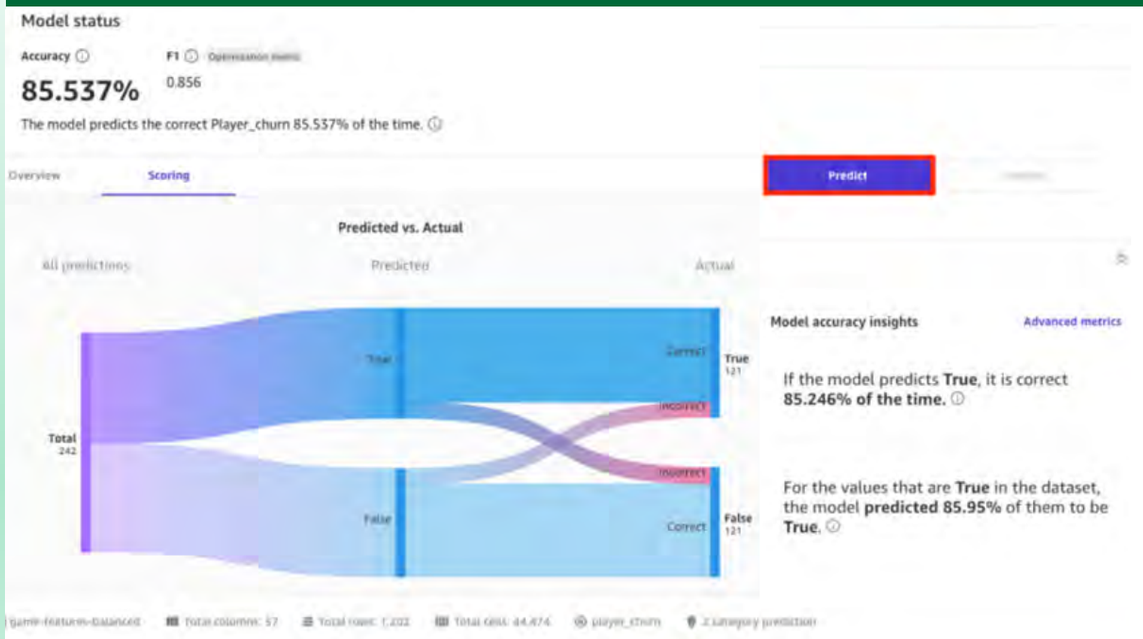
Sources: Activate analysis, Company press releases, Company sites

Data & Analytics: AI boosts player engagement through prediction and enhances security with fraud detection

DATA & ANALYTICS: EXAMPLE AI COMPANIES AND TOOLS

ENGAGEMENT & RETENTION OPTIMIZATION:

Predicts churn and adjusts events or economies to keep players engaged

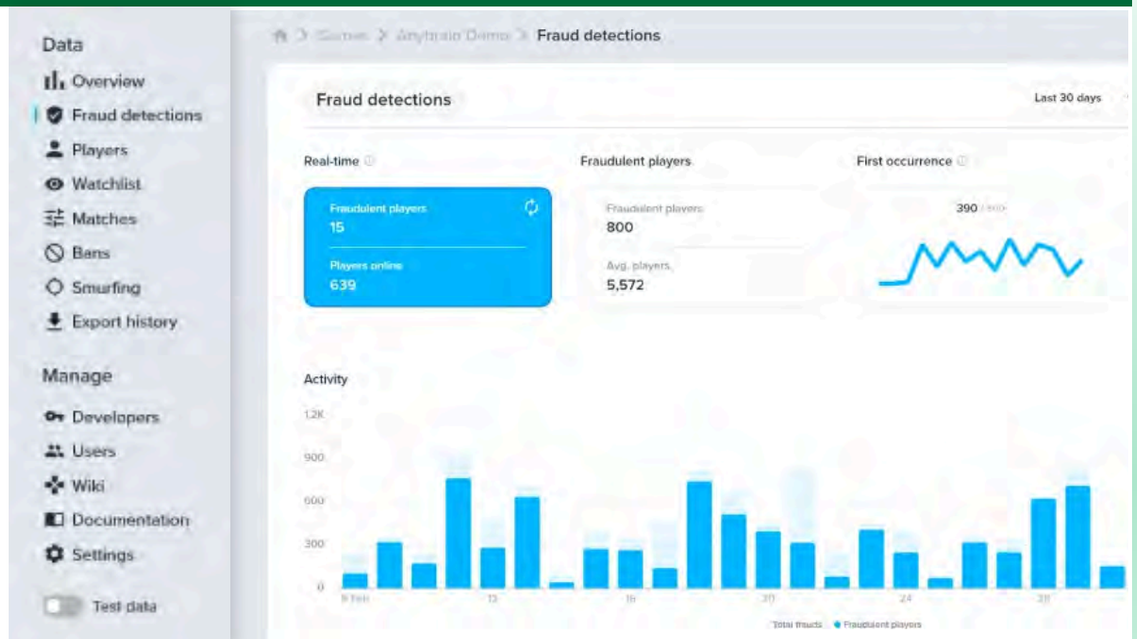


aws SageMaker Canvas

Builds no-code churn prediction models from gameplay data, allowing studios to adjust in-game economies and improve retention

FRAUD & SECURITY:

Detects cheating, bots, or fraud to protect fair play and in-game transactions



anybrain

Detects cheating and fraud by analyzing gameplay interaction patterns, helping studios such as NVIDIA and Shrapnel to identify aimbots and account farming

Sources: Activate analysis, Company press releases, Company sites

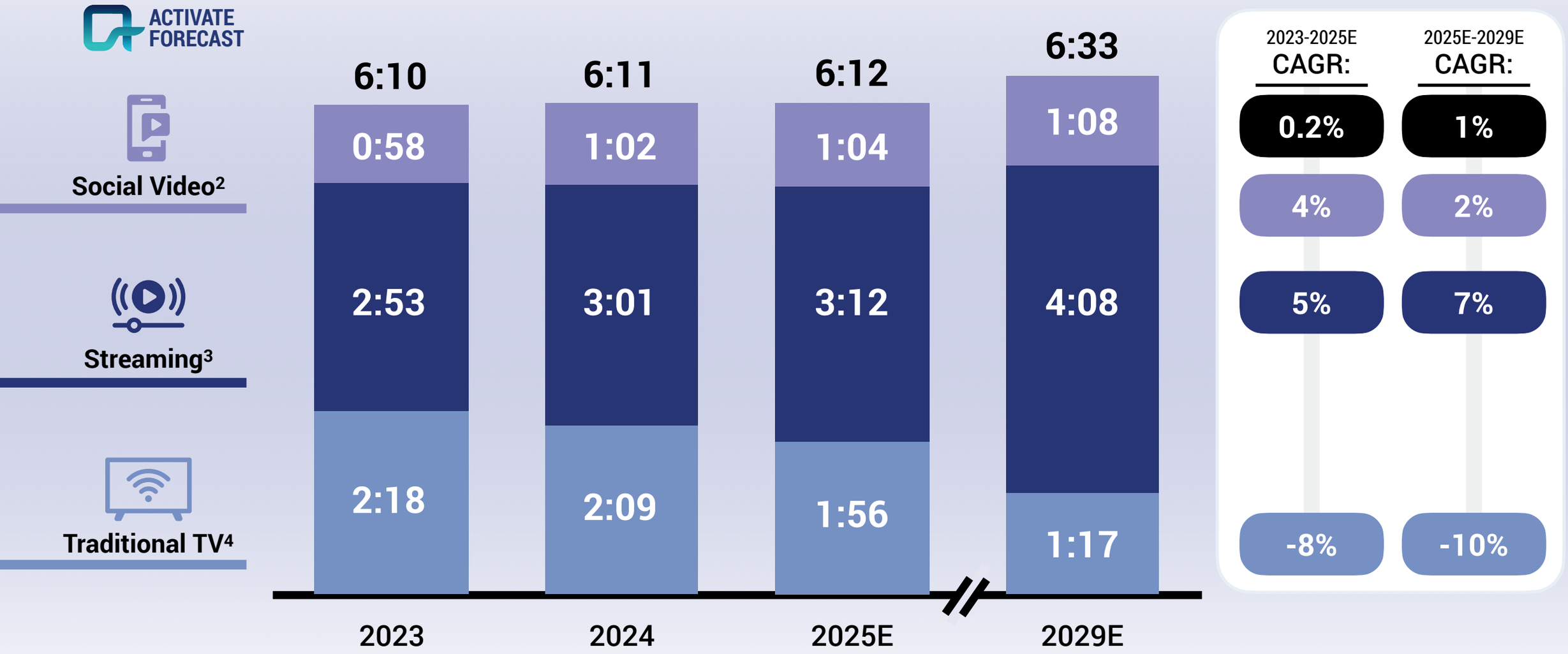


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VIDEO EATS THE INTERNET WORLD – AND IS STILL HUNGRY

We forecast that overall time spend with video will grow through 2029, with streaming and social video growing at the expense of traditional TV

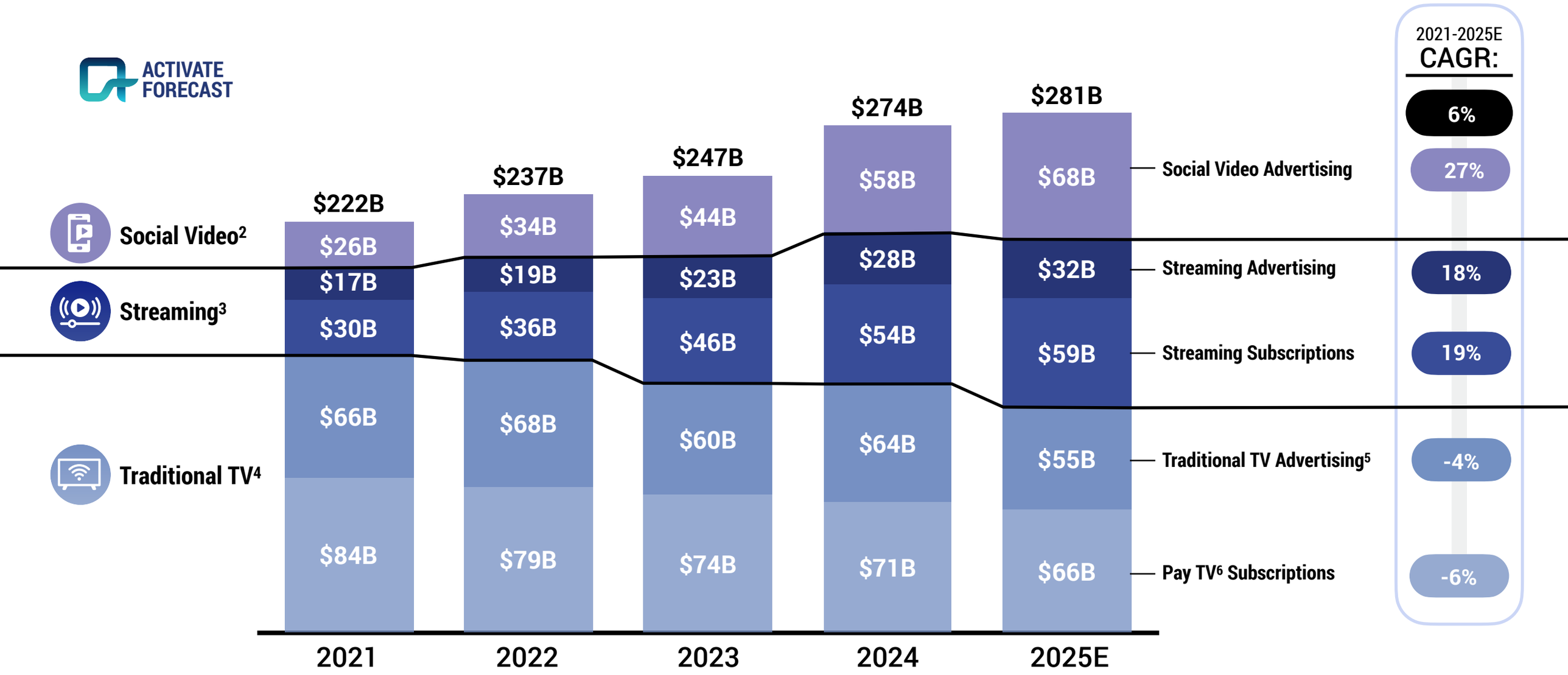
AVERAGE DAILY VIDEO TIME SPEND PER ADULT AGED 18+ BY TYPE[1], U.S., 2023-2025E VS. 2029E, HOURS:MINUTES



1. Figures do not sum due to rounding. 2. “Social video” excludes video watched on YouTube. 3. “Streaming” is defined as video watched on Connected TV, mobile phone, tablet, or desktop/laptop, including Youtube. Does not include virtual Pay TV. 4. “Traditional TV” is defined as both traditional and virtual Pay TV, as well as time-shifted (e.g., DVR) television viewing. Includes broadcast.
Sources: Activate analysis, Comscore, Conviva, data.ai, DataReportal, eMarketer, GWI, Nielsen, Pew Research Center, U.S. Bureau of Labor Statistics

The U.S. video industry will generate nearly $300B in revenue in 2025 across streaming, social video, and traditional TV

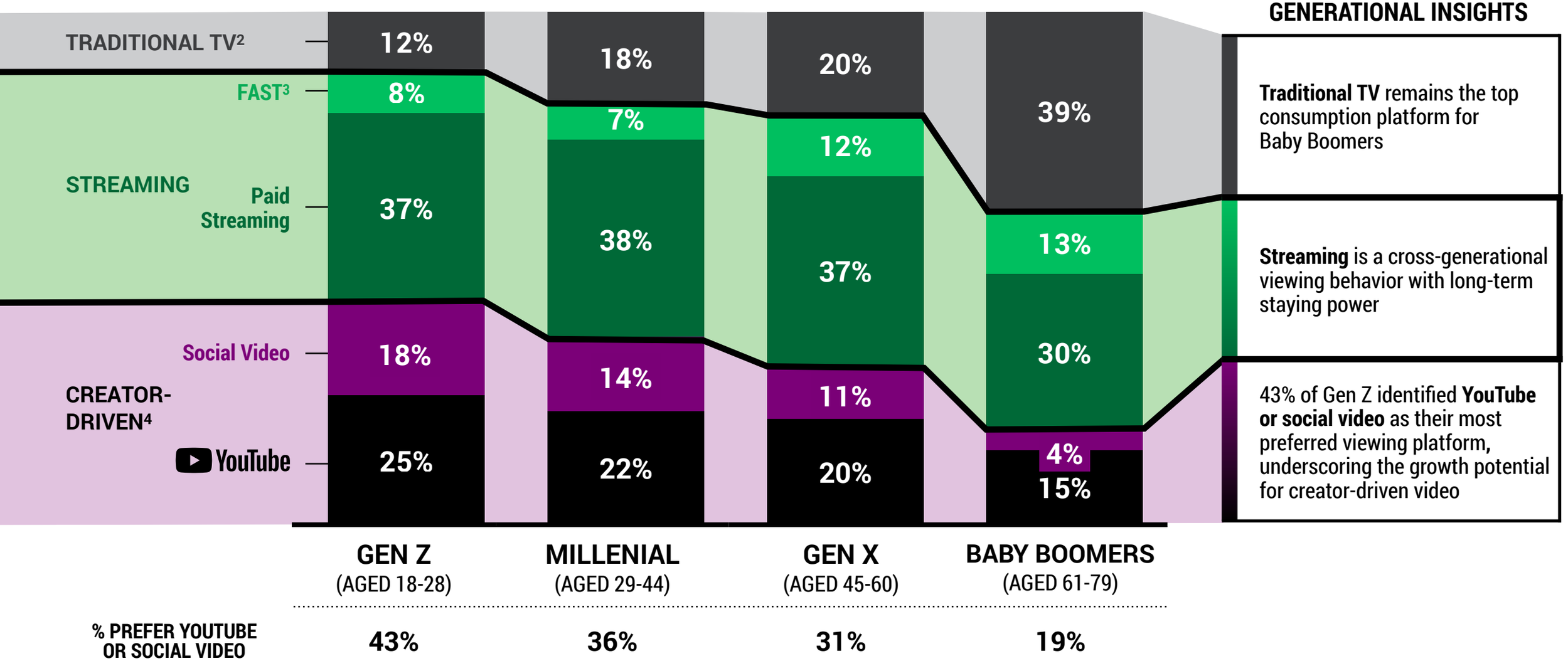
VIDEO REVENUE BY TYPE[1], U.S., 2021-2025E, BILLIONS USD



1. Figures do not sum due to rounding. 2. "Social video" excludes video watched on YouTube. 3. "Streaming" revenues include subscription and advertising revenue generated by paid streaming services, free ad-supported streaming services (FAST), and YouTube. Does not include virtual Pay TV. 4. "Traditional TV" is defined as both traditional Pay TV (i.e., TV delivered through a set-top box) and virtual Pay TV (i.e., TV delivered through the internet without a set-top box), as well as time-shifted (e.g., DVR) television viewing. Includes broadcast. 5. Includes advertising on broadcast TV and Pay TV. 6. "Pay TV" includes traditional Pay TV and virtual Pay TV.
Sources: Activate analysis, eMarketer, MoffettNathanson, PricewaterhouseCoopers, S&P Global, Statista, Wells Fargo

Streaming is the most preferred video consumption platform across generations; younger generations are more likely to cite creator-driven video platforms as their most preferred video consumption platform

MOST PREFERRED VIDEO CONSUMPTION PLATFORM[1], U.S., 2025, % ADULTS AGED 18+ BY GENERATION

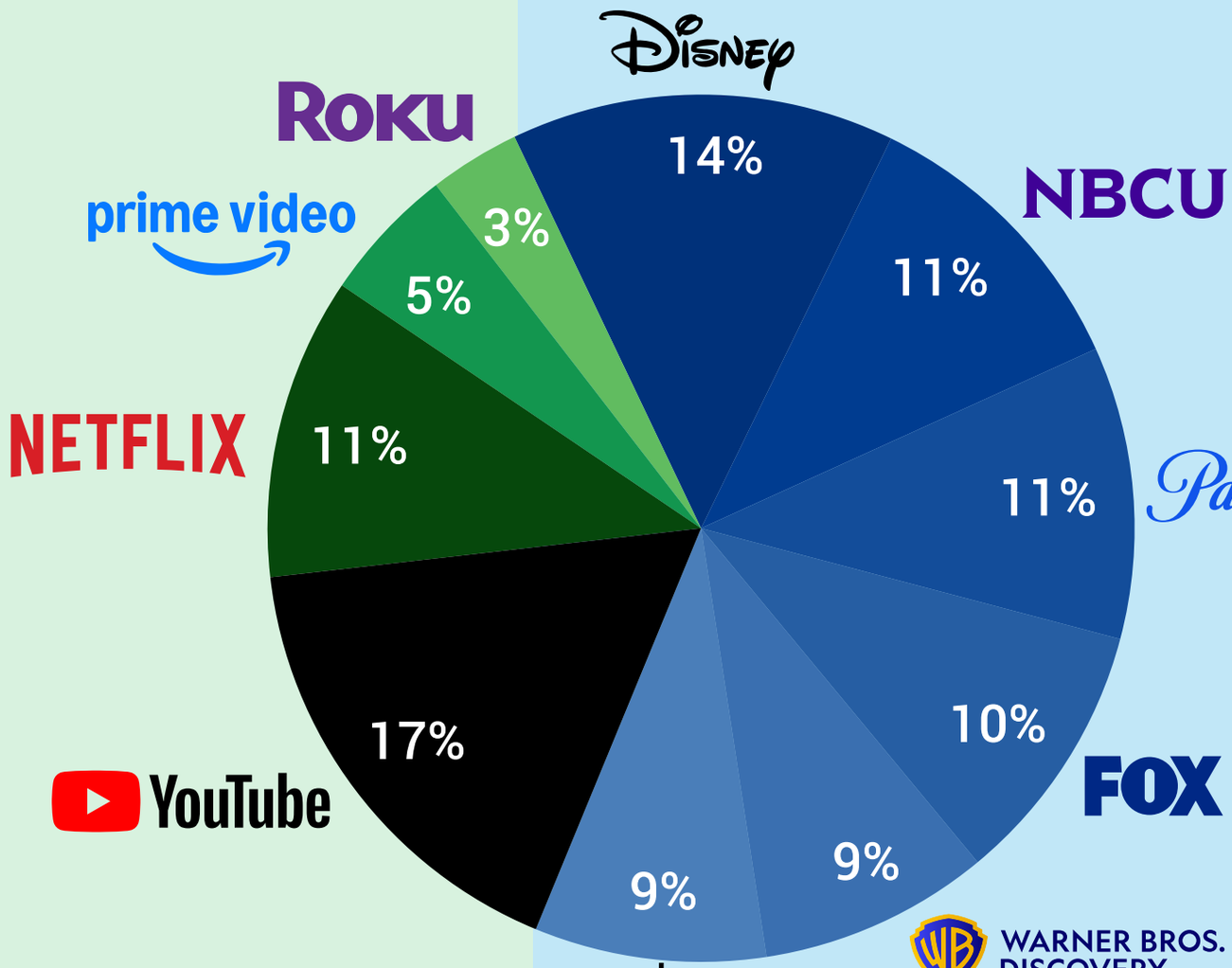


1. Figures do not sum to 100% due to rounding. 2. "Traditional TV" is defined as both traditional and virtual Pay TV, as well as time-shifted (e.g., DVR) television viewing. Includes broadcast. 3. Free ad-supported streaming services. 4. "Creator-driven" platforms include social websites/apps such as Instagram, TikTok, and Facebook, along with YouTube.
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026)

CTV has become a battleground for media and streaming-native companies

TV VIEWERSHIP FOR TOP DISTRIBUTORS (ACROSS TRADITIONAL & STREAMING),
U.S., YTD SEPT. 2025, % TOTAL VIEWERSHIP AMONG TOP DISTRIBUTORS[1]

STREAMING-NATIVE COMPANIES' SHARE OF TV VIEWERSHIP:
36%



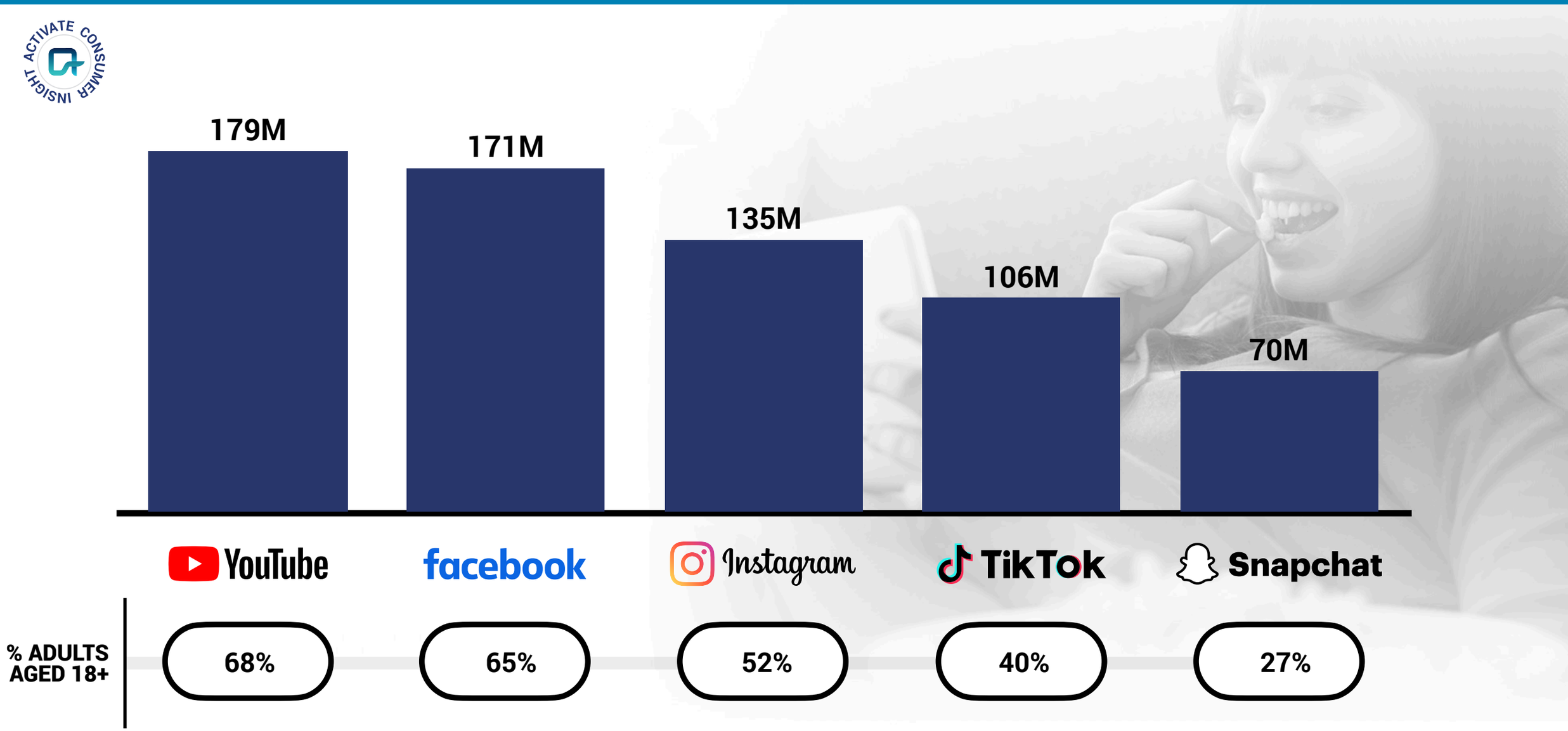
MEDIA COMPANIES' SHARE OF TV VIEWERSHIP:
64%

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1. Figures represent the share of viewership among distributors shown and excludes viewership from other distributors. Viewership shares include all subsidiaries of parent companies shown.
Sources: Activate analysis, Nielsen

Creator-driven video platforms have achieved significant scale, with consumer penetration above 60% for the top services

MONTHLY ACTIVE USERS OF SELECT CREATOR-DRIVEN VIDEO PLATFORMS,
U.S., 2025, MILLIONS MONTHLY ACTIVE USERS AGED 18+



Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026), eMarketer, U.S. Census Bureau

Usage of creator-driven video platforms varies significantly by generation; TikTok and Instagram's user bases skew younger, while Facebook users tend to be older

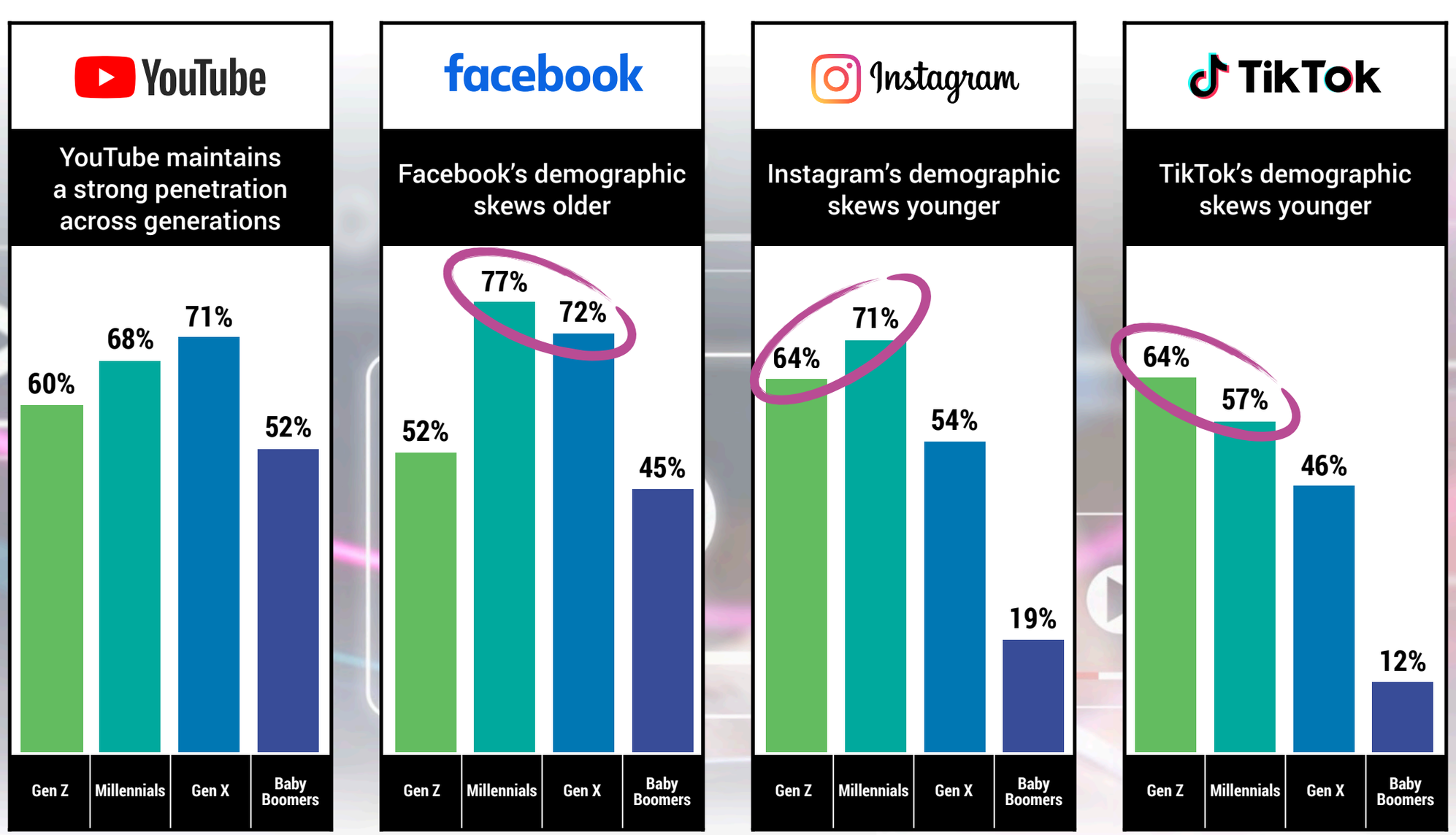
PENETRATION RATES OF SELECT CREATOR-DRIVEN VIDEO PLATFORMS, U.S., 2025, % ADULTS AGED 18+ BY GENERATION

Gen Z (Aged 18-28)

Millennials (Aged 29-44)

Gen X (Aged 45-60)

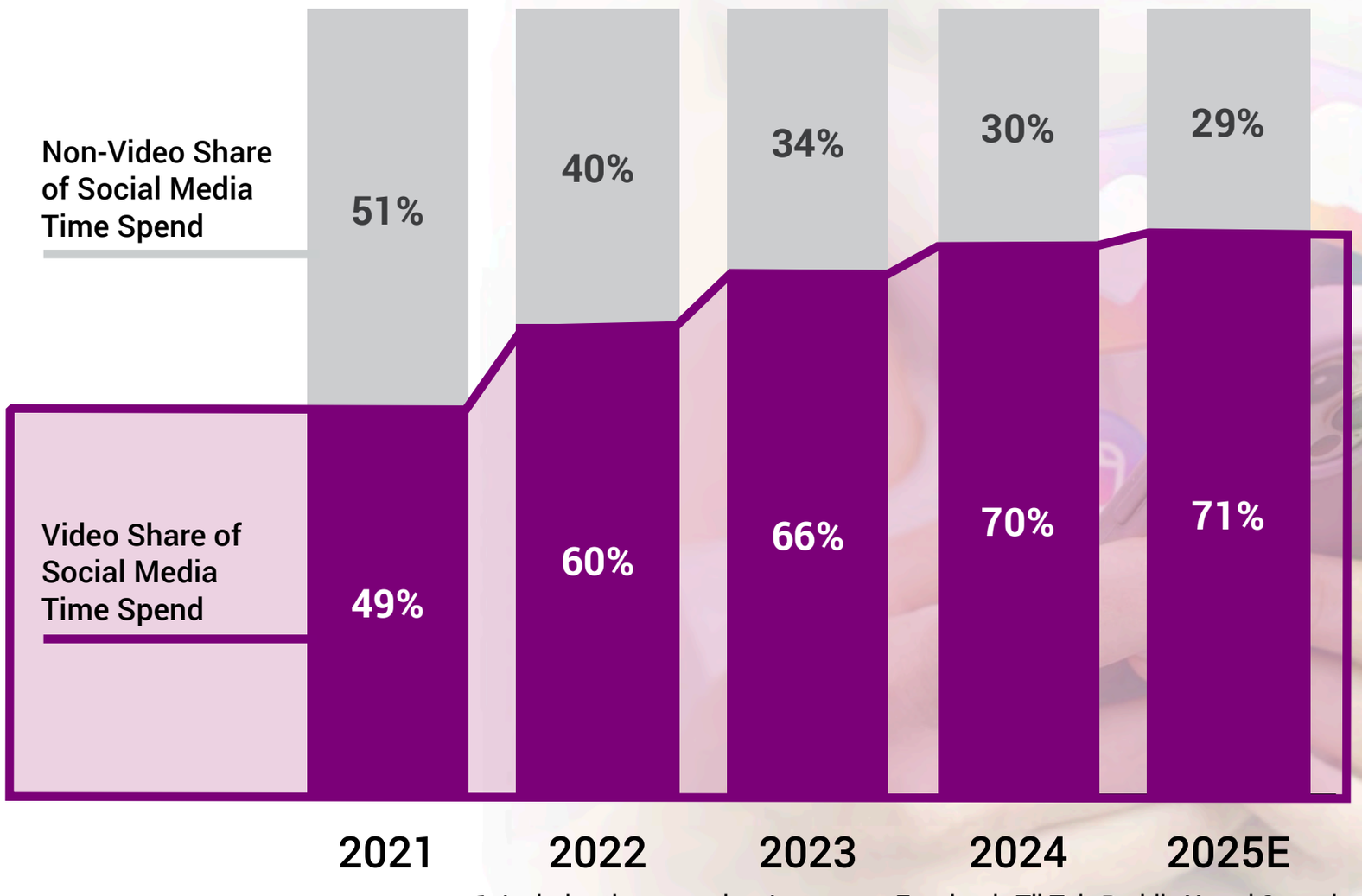
Baby Boomers (Aged 61-79)



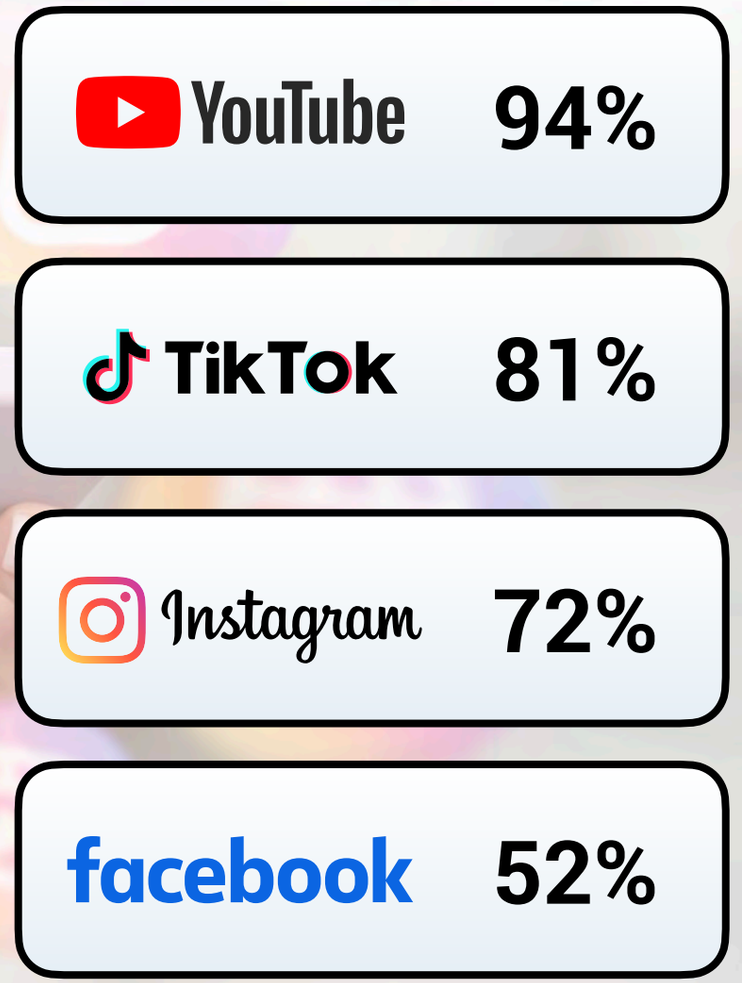
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026)

Social media platforms are now video platforms — most of the videos are from creators, not friends

SHARE OF SOCIAL MEDIA TIME SPEND WATCHING VIDEO,
U.S., 2021-2025E, % TOTAL TIME SPEND ON SOCIAL MEDIA[1]



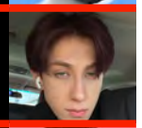
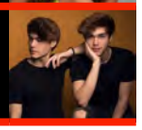
SHARE OF VIDEO VIEWS FROM INFLUENCERS[2] ON SELECT PLATFORMS,
U.S., SEPT. 2025[3], % TOTAL VIDEO VIEWS BY PLATFORM



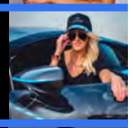
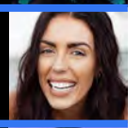
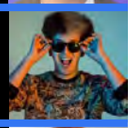
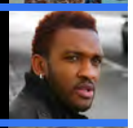
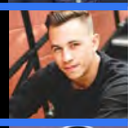
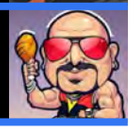
1. Includes time spend on Instagram, Facebook, TikTok, Reddit, X, and Snapchat. 2. "Influencer" is defined as a personality, celebrity, or public figure with significant social presence. 3. Views from videos uploaded in Sept. 2025, as of the week of Oct. 31, 2025.
Sources: Activate analysis, Comscore, Conviva, data.ai, DataReportal, eMarketer, GWI, Nielsen, Pew Research Center, Tubular Labs, U.S. Bureau of Labor Statistics

Creators drive the majority of social video and YouTube viewership, with limited overlap across platforms

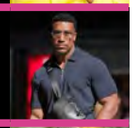
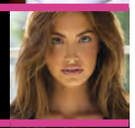
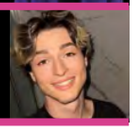
TOP 10 YOUTUBE INFLUENCERS, U.S., JAN.-SEPT.[1] 2025

MrBeast ★ Gaming	26.6B Views	
J House Jr. Kids Entertainment & Animation	24.7B Views	
Zack D. Films ★ Science & Technology	22.4B Views	
Andrey Grechka Entertainment	19.7B Views	
Alan's Universe Entertainment	12.7B Views	
123 Andrés Kids Entertainment & Animation	12.3B Views	
Mr DegrEE People & Blogs	10.2B Views	
Chefkoudy Food & Drink	10.0B Views	
YANA CHIRKINA Entertainment	9.1B Views	
Stokes Twins Entertainment	8.8B Views	

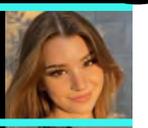
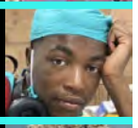
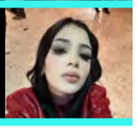
TOP 10 FACEBOOK INFLUENCERS, U.S., JAN.-SEPT.[1] 2025

Dhar Mann Film & Movies	3.7B Views	
Supercar Blondie Cars, Trucks & Racing	2.5B Views	
Kountry Wayne Entertainment	2.3B Views	
Taylor Watson Entertainment	2.2B Views	
MrBeast ★ Entertainment	2.0B Views	
HotSpanish Food & Drink	2.0B Views	
Sean Bridon People & Blogs	1.8B Views	
Carlos Eduardo Espina ★ Entertainment	1.4B Views	
Justin Flom Entertainment	1.0B Views	
Chicken Leg Piece Food & Drink	1.0B Views	

TOP 10 INSTAGRAM INFLUENCERS, U.S., JAN.-SEPT.[1] 2025

Zack D. Films ★ Science & Technology	10.4B Views	
Bhajan Marg Official General Interest	10.2B Views	
Ashton Hall Health, Fitness & Self Help	8.9B Views	
Caden McDonald Entertainment	7.2B Views	
Marvin Achi Travel	6.2B Views	
Haley Kalil ★ Entertainment	5.9B Views	
Snoopdogg Entertainment	5.8B Views	
Anwar Jibawi Entertainment	5.5B Views	
Faiz Meeran Entertainment	5.5B Views	
Kirkiimad ★ Entertainment	5.0B Views	

TOP 10 TIKTOK INFLUENCERS, U.S., JAN.-SEPT.[1] 2025

Brooke Monk People & Blogs	8.1B Views	
Kirkiimad ★ Entertainment	7.5B Views	
Laro Benz Family & Parenting	7.3B Views	
Carlos Eduardo Espina ★ Entertainment	6.0B Views	
Haley Kalil ★ Entertainment	5.9B Views	
Piper Rockelle People & Blogs	5.6B Views	
Bader Al Safar Food & Drink	5.3B Views	
SANGO Entertainment	4.1B Views	
Capri Jones Entertainment	4.0B Views	
Katteyes People & Blogs	3.9B Views	

★ **Top Creator Across Multiple Platforms**

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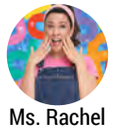
1. Views as of Sept. 10, 2025.
Sources: Activate analysis, Tubular Labs

tubular
ACTIVATE DATA PARTNER

Media companies are partnering with creators to both bulk up their libraries and to create new IP

LIBRARY LICENSING

NETFLIX

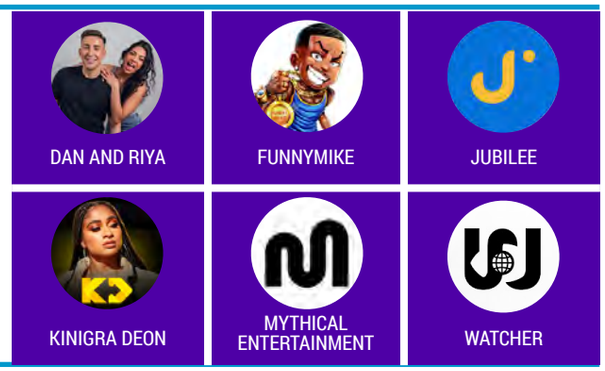

Ms. Rachel

Netflix released four 30- to 60-minute compilations of the most popular lessons from the YouTube channel *Songs for Littles* in January 2025



tubi

Tubi launched Tubi for Creators, a program designed to bring creator stories to the service, in June 2025; the program has since grown to include over 5,000 videos of episodic content from over 50 creators



The Roku Channel


Alan Chikin Chow

Roku partnered with influencer Alan Chikin Chow to bring his YouTube series *Alan's Universe* to The Roku Channel



NEW PRODUCTIONS

prime video

MR BEAST

Prime Video released a new reality series with MrBeast in December 2024 as part of a $100 million partnership, later extended for two more seasons



Samsung TV Plus

Dhar Mann STUDIOS

Samsung TV Plus and Dhar Mann Studios will produce 13 original episodes that will premiere on the Dhar Mann TV channel on Samsung TV Plus



NETFLIX CRUNCH LABS KIMMELOT

Netflix will release a competition show in 2026 in partnership with Mark Rober, former NASA engineer turned social media star, to be produced by his company CrunchLabs and Jimmy Kimmel's Kimmelot



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Sources: Activate analysis, Company press releases, Company sites

Top creators are expanding their media businesses and operating state-of-the-art production facilities

EXAMPLES OF CREATORS EXPANDING PRODUCTION FACILITIES

BEAST INDUSTRIES



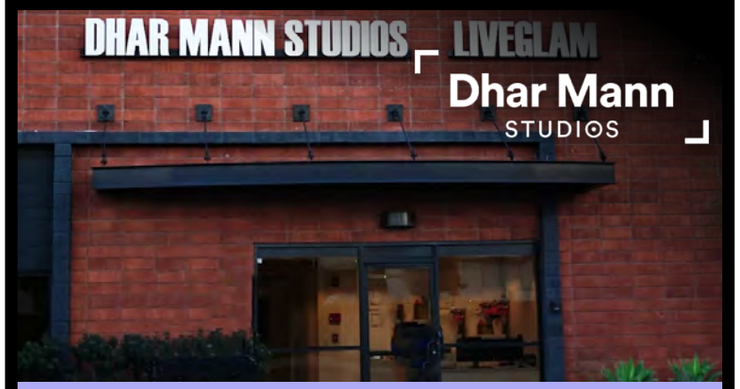
- Opened a new a 50K sq. ft. HQ in Greenville, NC, now home to hundreds of employees
- Invested millions in second production studio in Las Vegas, NV for second season of Beast Games
- Spend more than $1M per video, on average

DUDE PERFECT



- Following a $100M investment from Highmount Capital in 2024, invested $3M-$5M in a new 80K sq. ft. HQ in Frisco, TX
- Facility expected to be a key venue for video production, events, and experiences

DHAR MANN



- Operate a 125K sq. ft. production facility in Burbank, CA that produces several hours of unscripted programming per week
- Expanded team to ~200 employees
- Planning studio expansion to 200K sq. ft. in 2026

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Sources: Activate analysis, Company press releases, Company sites, Forbes, The Hollywood Reporter, IMDb, News 3 Las Vegas, Sports Business Journal, The Wrap

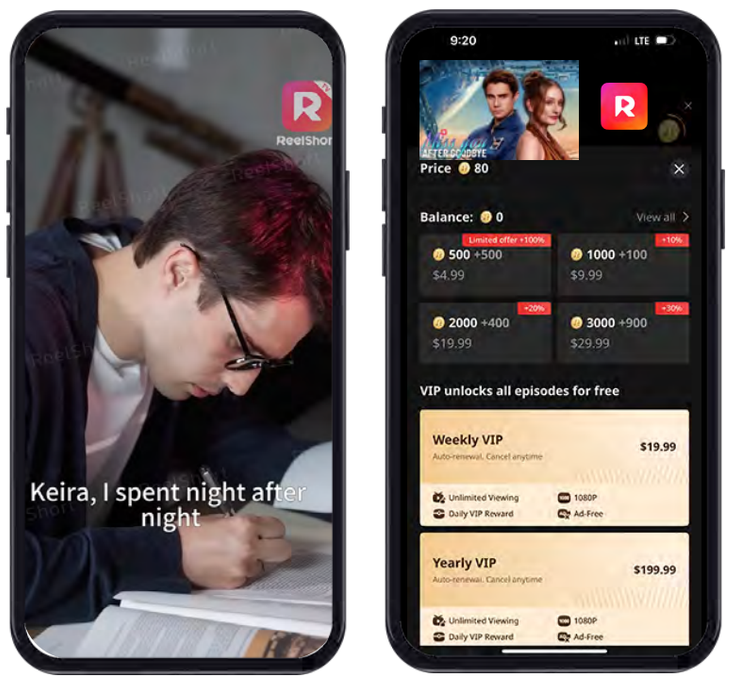
Short-form video platforms are enabling users to watch episodic programming

EPISODIC SERIES OFFERINGS OF SHORT-FORM VIDEO PLATFORMS

MICRO-DRAMA PLATFORMS[1]

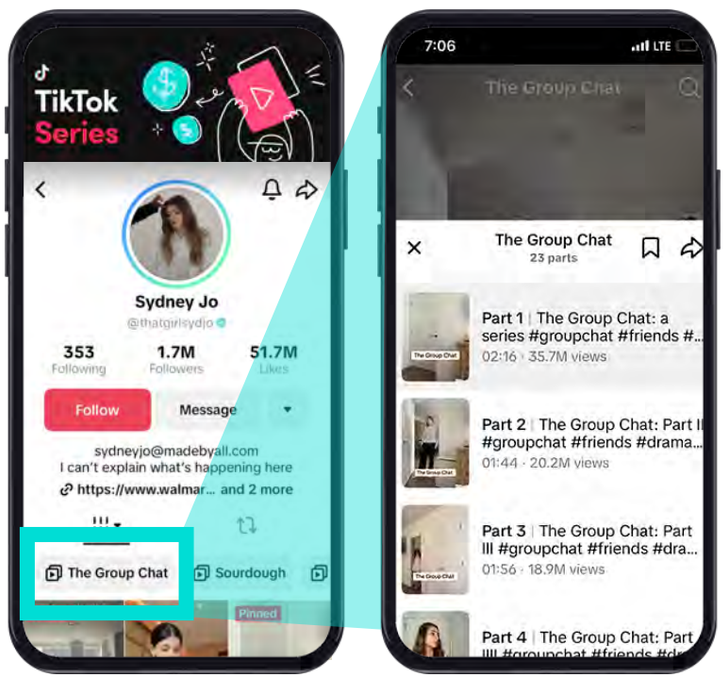
ReelShort DramaBox FlickReels

- Platforms offer full movies / TV shows in short “episodes” (e.g., 1 to 2 minutes)
- Users must watch an ad, buy tokens, or subscribe to watch beyond the initial set of episodes



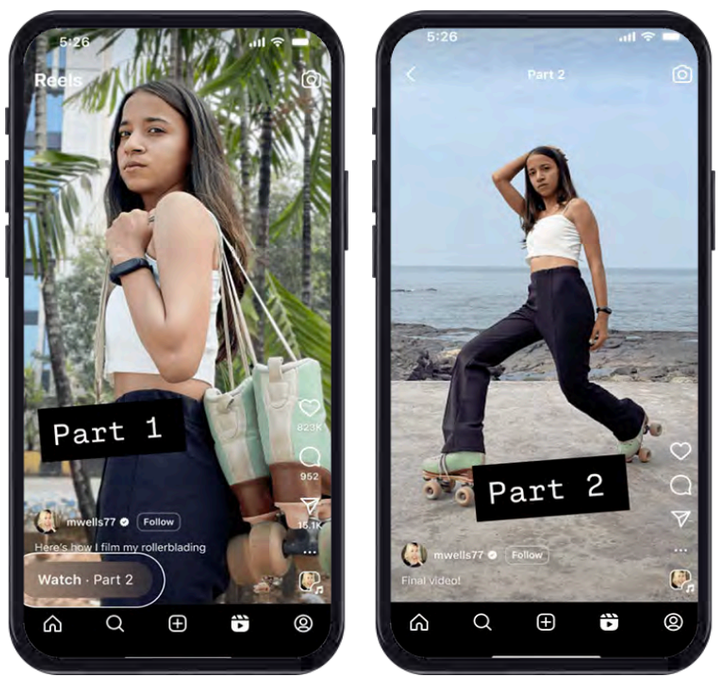
TikTok

- TikTok Series offering enables creators to post serialized/related content collections
- In addition to Series offering, a common trend for TikTok creators is to post multi-part videos in succession to share longer-form content



Instagram

- A new Reels linking feature allows creators to connect multiple reels in a series
- Users can navigate to the next Reel in a series using a button at the bottom of the Reel



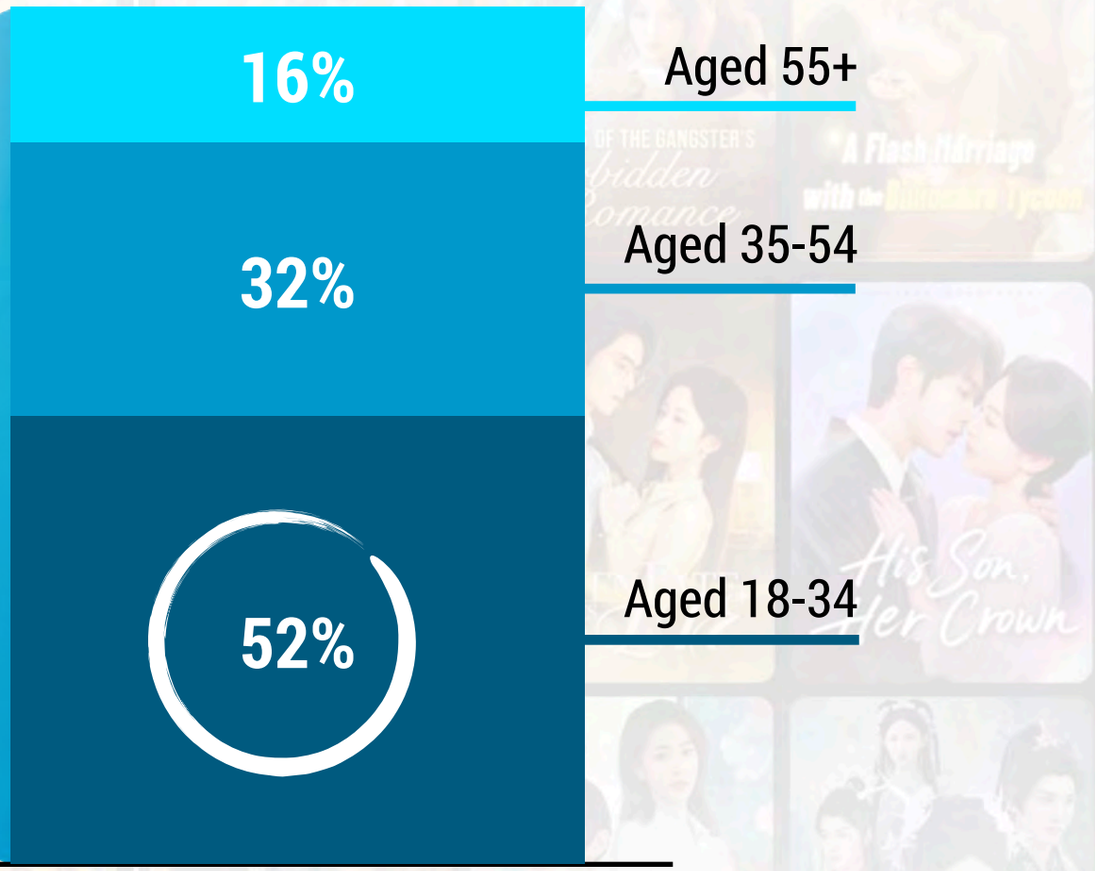
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1. Non-exhaustive list of micro-drama platforms.
Sources: Activate analysis, Company press releases, Company sites, TechCrunch

28M U.S. adults are micro-drama users today, with younger audiences driving the majority of usage

AGE DISTRIBUTION OF MICRO-DRAMA VIEWERS[1], U.S., 2025, % MICRO-DRAMA VIEWERS[1]

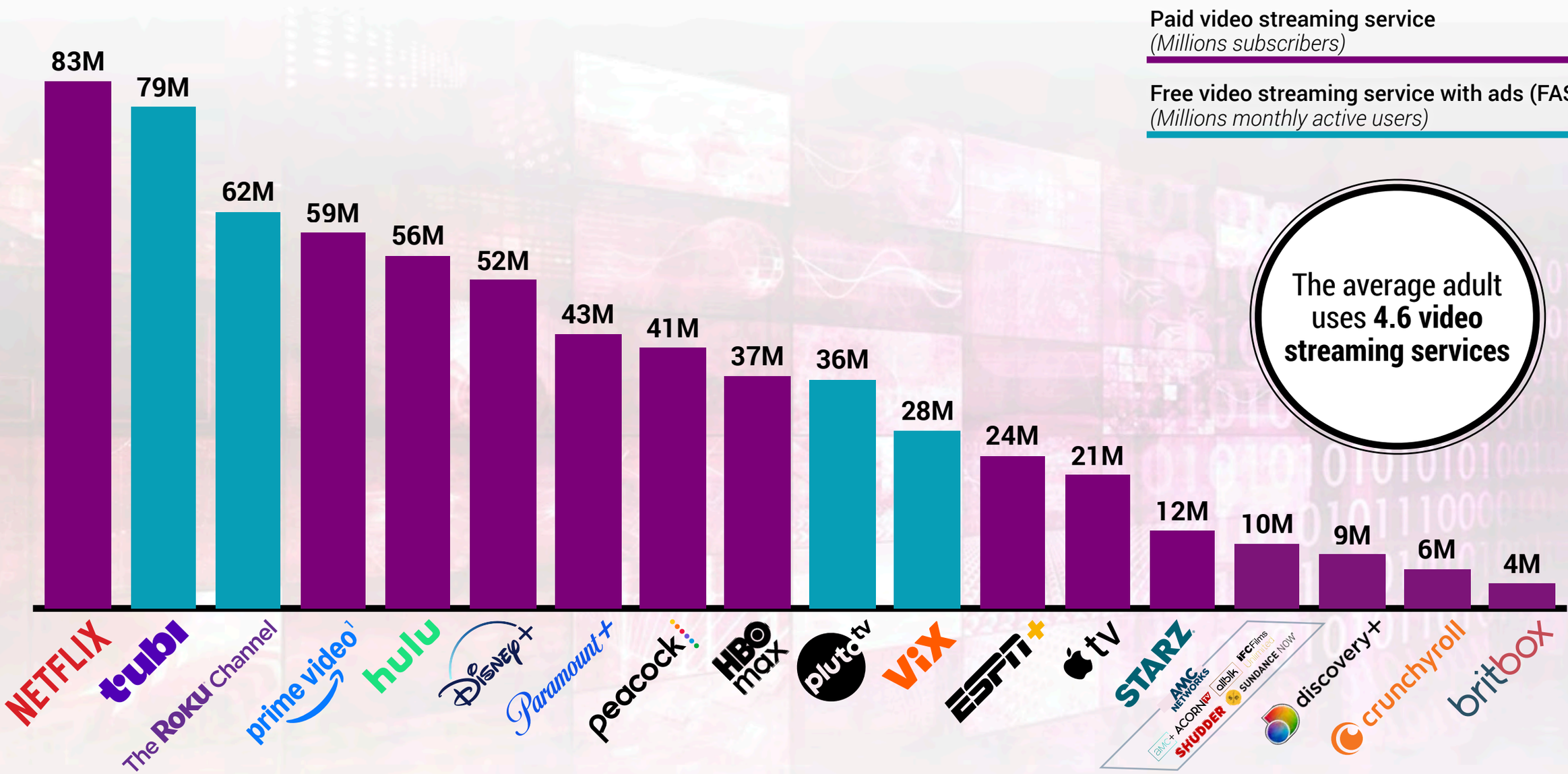
28M
U.S. adults used at least one micro-drama platform in the last 12 months



1. "Micro-drama viewers" are defined as adults aged 18+ who used at least one micro-drama platform in the last 12 months.
Sources: Activate analysis, Activate 2025 Consumer Video & Media Research Study (n = 4,184)

The streaming market is highly competitive, with usage fragmented across a large number of paid and free services; the average adult uses 4.6 video streaming services

SUBSCRIBERS / MONTHLY ACTIVE USERS FOR SELECT VIDEO STREAMING SERVICES,
U.S., Q2 2025 OR LATEST AVAILABLE, MILLIONS SUBSCRIBERS / MONTHLY ACTIVE USERS



1. Reflects estimate for monthly active users of Prime Video platform.
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026), Company filings, Company press releases, Company sites, eMarketer, The Hollywood Reporter

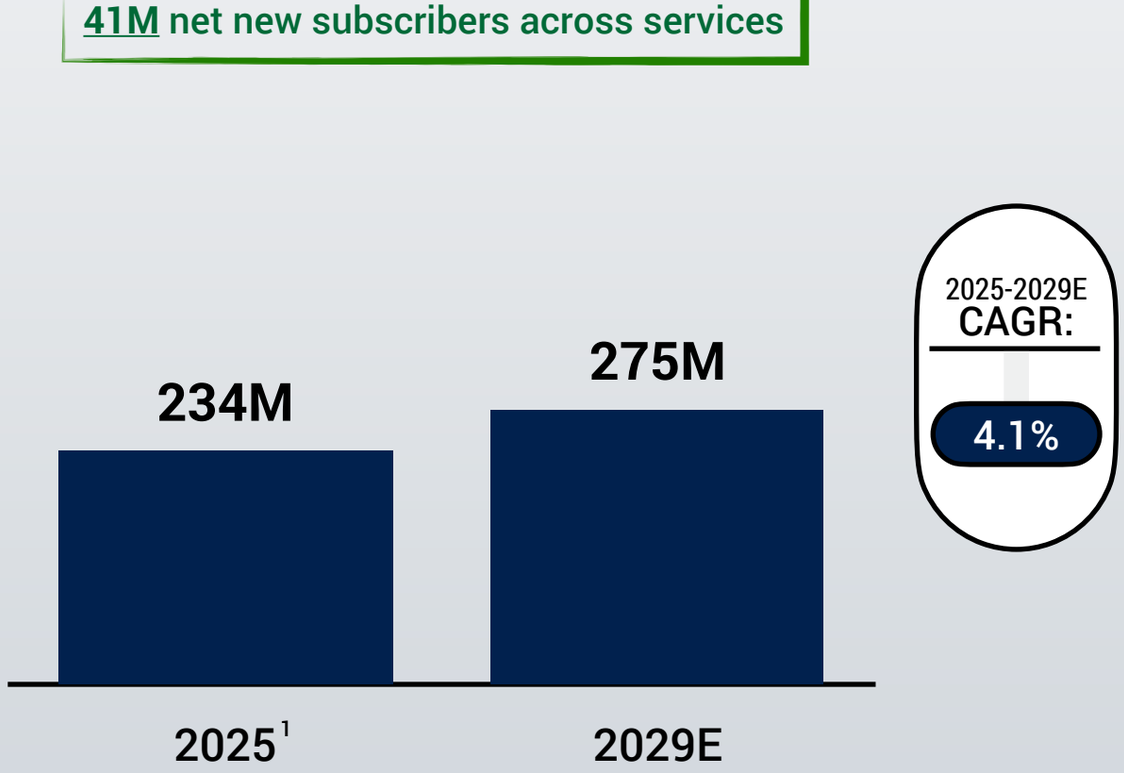
International markets will drive the majority of growth for select video streaming services over the next four years

SELECT PAID VIDEO STREAMING SERVICE SUBSCRIBERS BY REGION,
U.S. VS. REST OF WORLD, 2025[1] VS. 2029E, MILLIONS SUBSCRIBERS

ACTIVATE FORECAST

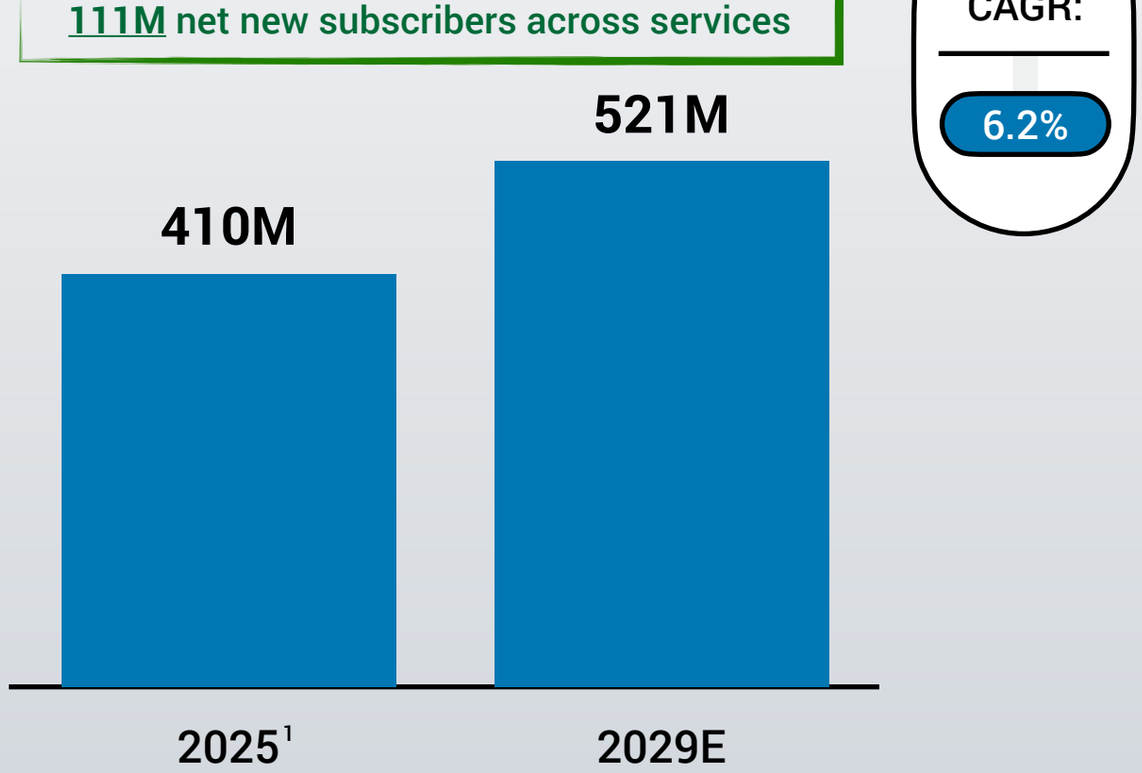
U.S.

41M net new subscribers across services



REST OF WORLD

111M net new subscribers across services



PAID VIDEO STREAMING SERVICES INCLUDED:

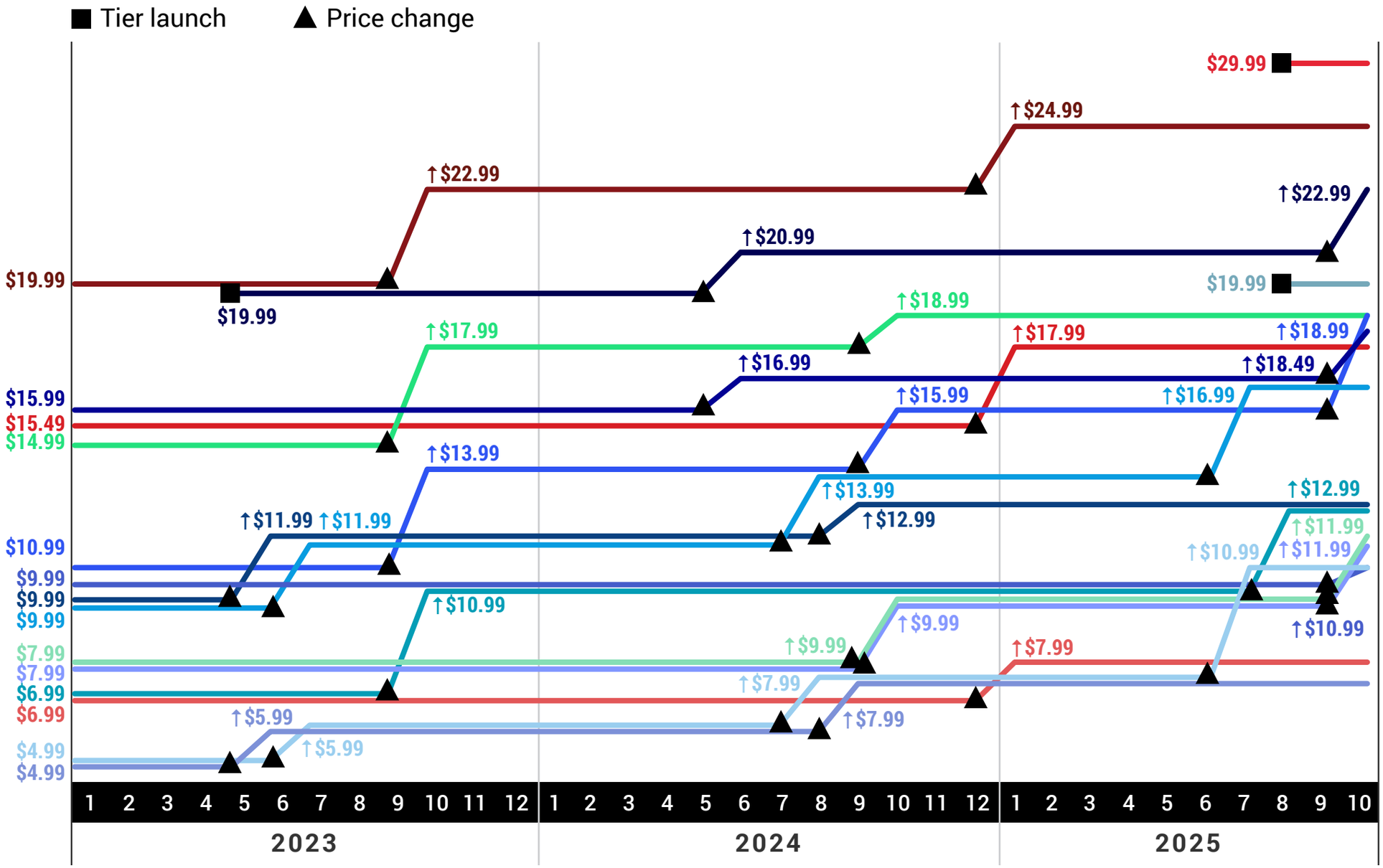
discovery+ · Disney+ · HBO max · NETFLIX · Paramount+

1. Represents subscribers as of Q2 2025.
Sources: Activate analysis, Company filings, Deutsche Bank, eMarketer, Guggenheim Partners, Morgan Stanley, Omdia, Rosenblatt Securities, Statista, UBS, Wells Fargo

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Paid streaming services will continue to raise prices in an effort to improve profitability

MONTHLY STANDARD SUBSCRIPTION PRICES OF SELECT PAID VIDEO STREAMING SERVICES, U.S., JAN. 2023-OCT. 2025, USD



CURRENT PRICE

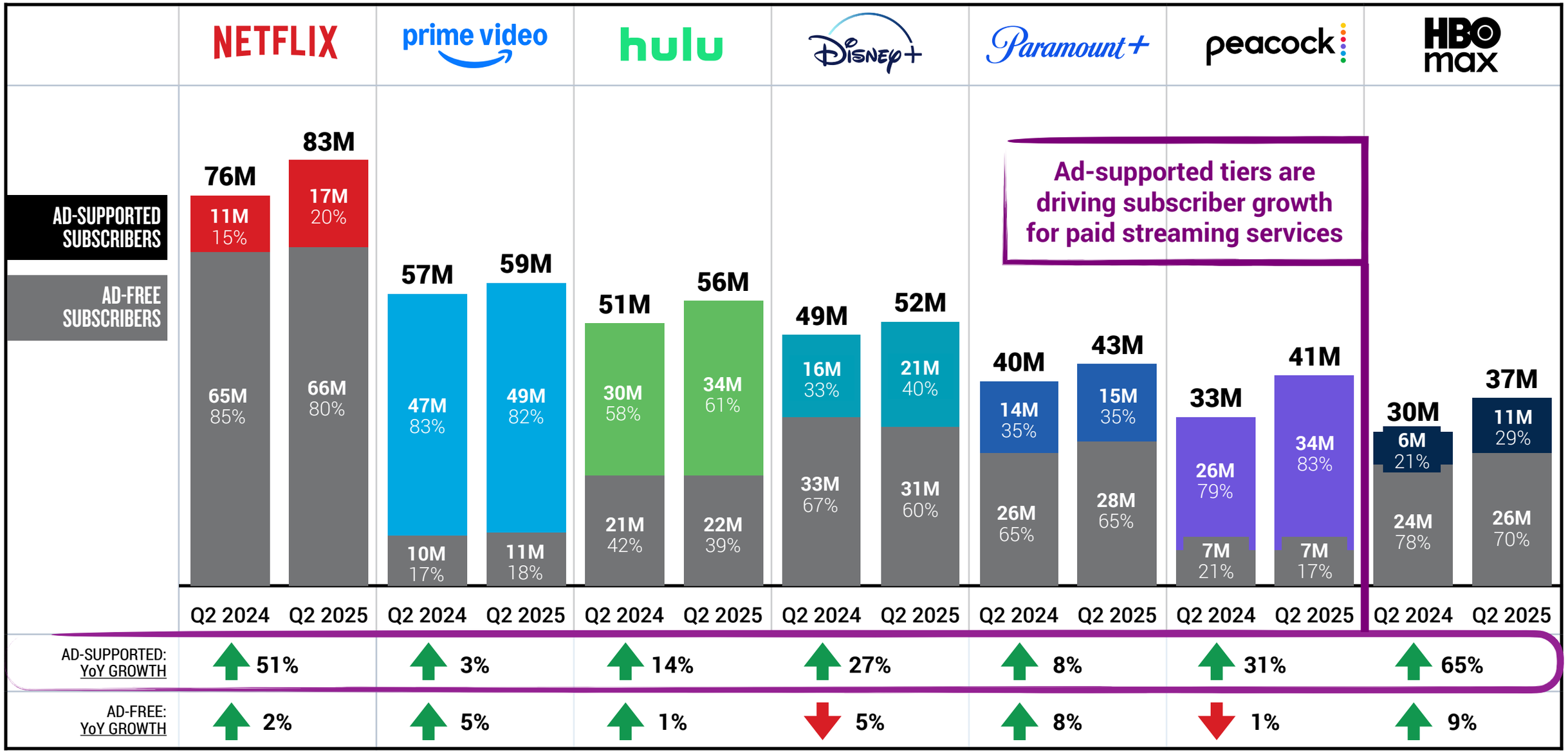
- $29.99 ESPN Unlimited (ads)
- $24.99 NETFLIX Premium (no ads)
- $22.99 HBOmax Premium (no ads)
- $19.99 FOXONE (ads)
- $18.99 hulu (no ads)
- $18.99 Disney+ (no ads)
- $18.49 HBOmax (no ads)
- $17.99 NETFLIX Standard (no ads)
- $16.99 peacock (no ads)
- $12.99 Paramount+ (no ads)
- $12.99 tv (no ads)
- $11.99 hulu (ads)
- $11.99 Disney+ (ads)
- $10.99 peacock (ads)
- $10.99 HBOmax (ads)
- $7.99 NETFLIX Standard (ads)
- $7.99 Paramount+ (ads)

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Sources: Activate analysis, Company press releases, Company sites

Ad-supported tiers are driving subscriber growth

ESTIMATED PAID SUBSCRIBERS BY TIER[1], U.S., Q2 2024 VS. Q2 2025, MILLIONS SUBSCRIBERS / % TOTAL SUBSCRIBERS BY TIER



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1. Figures do not sum due to rounding.
Sources: Activate analysis, Antenna, CNET, Company filings, data.ai, eMarketer, Kantar, Morgan Stanley, Nielsen

Programmers will prioritize premium IP to drive audiences; companies will need to find the best IP and value it appropriately to drive returns

EXAMPLES OF RECENT AND FUTURE PREMIUM IP DEALS/ADAPTATIONS

Live Sports



PARAMOUNT / SKYDANCE | UFC



NETFLIX | WWE



WBD | AEW

Award Shows & Concerts



ABC | GRAMMYS



YOUTUBE | COACHELLA



PARAMOUNT | GOLDEN GLOBES

Video Games / Anime



SONY | DEMONSLAYER



PARAMOUNT / SKYDANCE | CALL OF DUTY



WBD | MINECRAFT

Literature/Theatre



WBD | WUTHERING HEIGHTS



NBCU | WICKED



WBD | DUNE

Life Rights



LIONSGATE | MICHAEL JACKSON



PARAMOUNT | BOB MARLEY



APPLE TV | NAPOLEON

Board Games



NETFLIX | CATAN



LIONSGATE | MONOPOLY



NETFLIX | CLUE

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Sources: Activate analysis, Company press releases, Company sites

AI tools will simplify and accelerate the production process, removing high-cost bottlenecks and leading to higher programming volumes

EXAMPLE AI-ENABLED VIDEO CREATION USE CASES BY SEGMENT

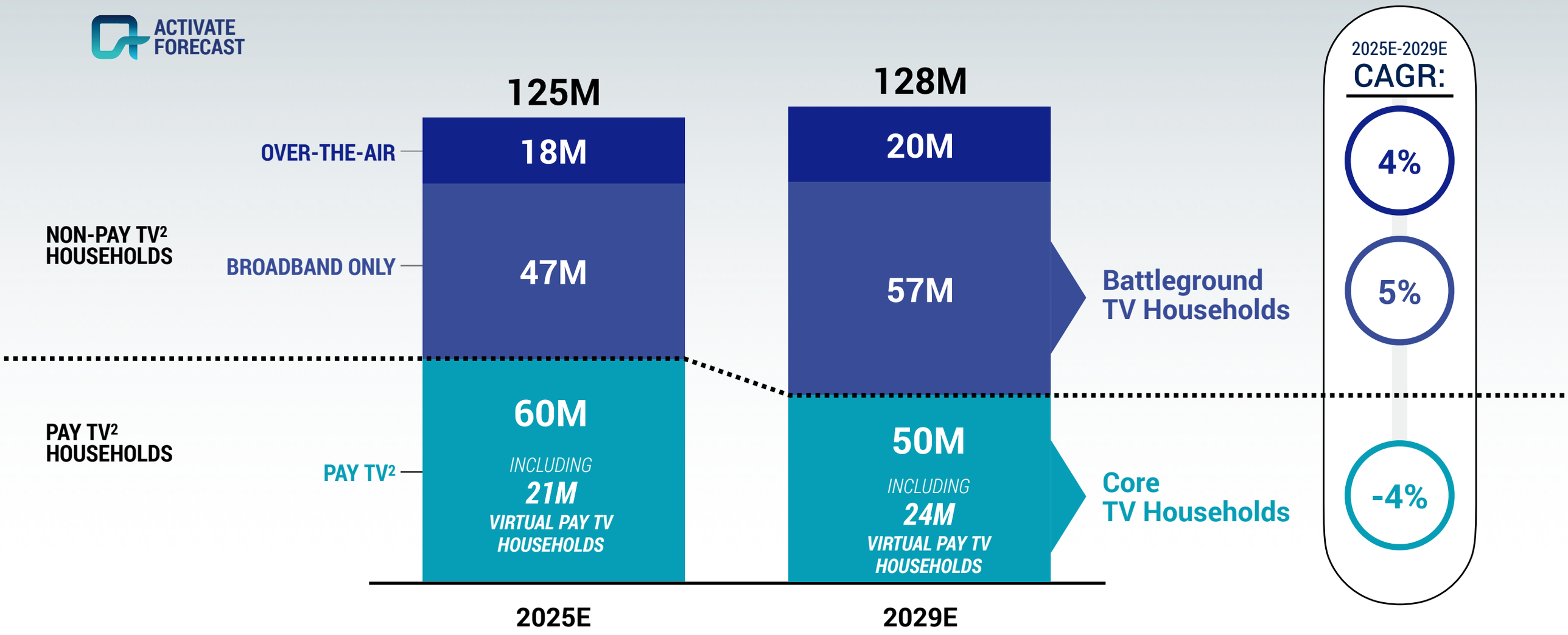
SEGMENT	FILM & TV STUDIOS	CONTENT CREATORS	ADVERTISERS & AGENCIES
KEY USE CASES FOR AI-GENERATED VIDEO	• **Pre-visualization & storyboarding** • **Background character creation** (i.e., avoiding complexity of managing extras) • **Animation generation** (i.e., assisting animators or automating the creation of animation backgrounds) • **Visual effects** • **Post-production**	• **Stylized "concept" videos** (e.g., creating vlogs with surreal backdrops) • **Low-budget, AI-generated shorts** • **Accelerated meme creation** • **Video re-dubbing** (e.g., language translation, altering voices) • **Leveraging AI clips in lieu of stock footage** (replacing the need for copyrighted footage)	• **Creative generation** (e.g., online video, CTV) • **Creative optimization/versioning** (e.g., customizing creative for specific use cases) • **Social content generation** (e.g., generating video content for O&O social channels) • **Creative repurposing / multi-platform adaptation** (i.e., adapting existing creatives for different media platforms and lengths)
EXAMPLES	 Lionsgate is partnering with Runway to create a tool for storyboarding, background creation, and visual effects  AMC Networks is partnering with Runway to support storyboarding and visual effects ideation	 Google is integrating its video generation model Veo 3 into YouTube Shorts, enabling creators to generate short clips or backgrounds with text prompts  Open AI's Sora app enables users to create short AI-generated videos using text prompts and share in a social video experience	 WPP announced a partnership with Google to integrate Veo into its AI marketing platform, further embedding AI video generation into its workflow  Coca Cola leveraged AI video models from Runway and Luma Dream Machine to generate three ads for the 2024 holiday season

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Sources: Activate analysis, Company sites, Forrester, TechCrunch, Variety, The Wall Street Journal, The Wrap

We forecast that in 2029 there will be 50M Pay TV households and 57M broadband-only "Battleground TV Households"

TELEVISION HOUSEHOLD BREAKDOWN[1], U.S., 2025E VS. 2029E, MILLIONS HOUSEHOLDS



1. Figures do not sum due to rounding. 2. "Pay TV" is defined as traditional Pay TV (i.e., TV delivered through a set-top box) and virtual Pay TV (i.e., TV delivered through the internet without a set-top box).
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026), eMarketer, MoffettNathanson, Nielsen, S&P Global, U.S. Census Bureau, Wells Fargo

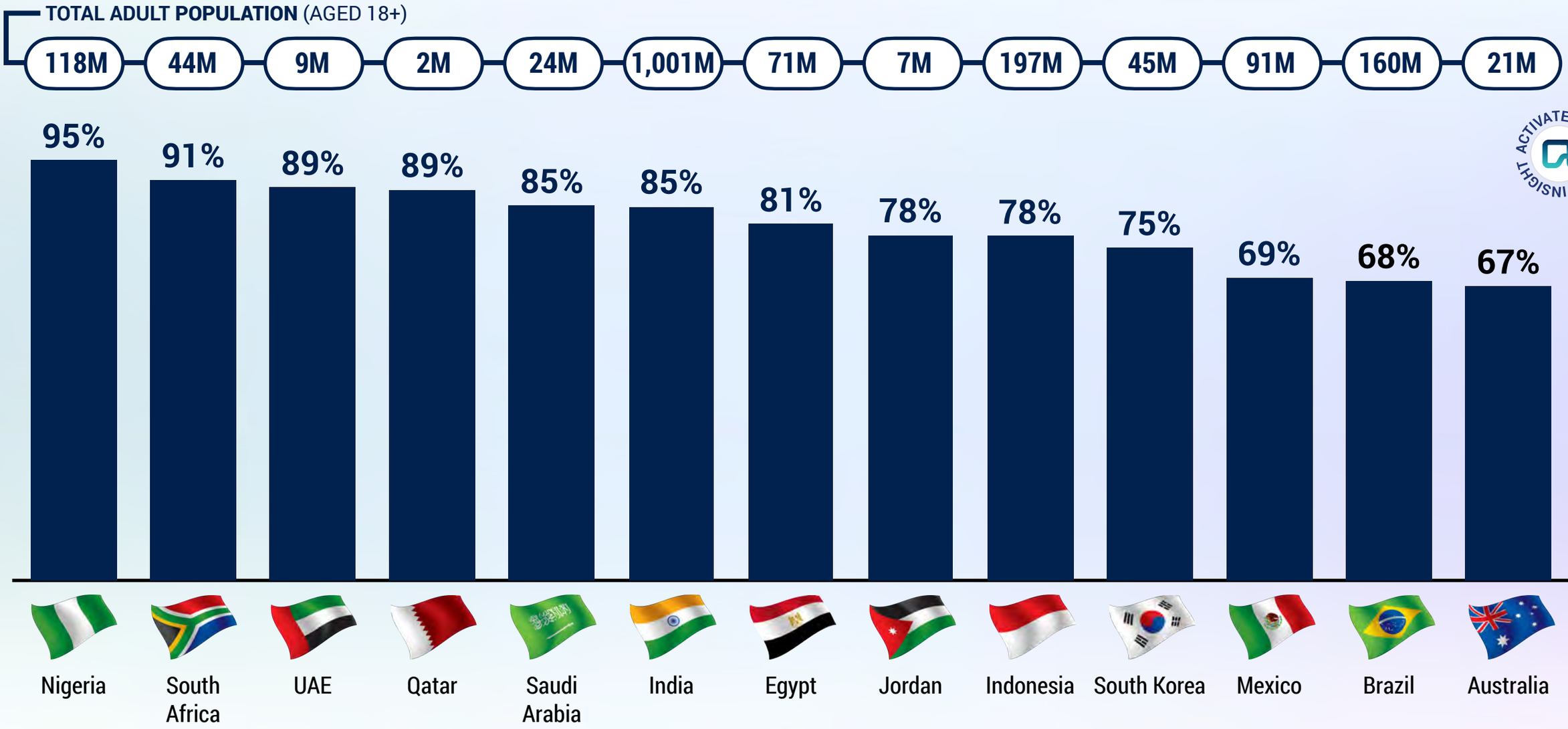


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SPORTS: THE LAST APPOINTMENT TV, AND THE NEW STREAMING BATTLEFIELD

High demand for sports is a global phenomenon that is even more pronounced in certain regions of the world (1/2)

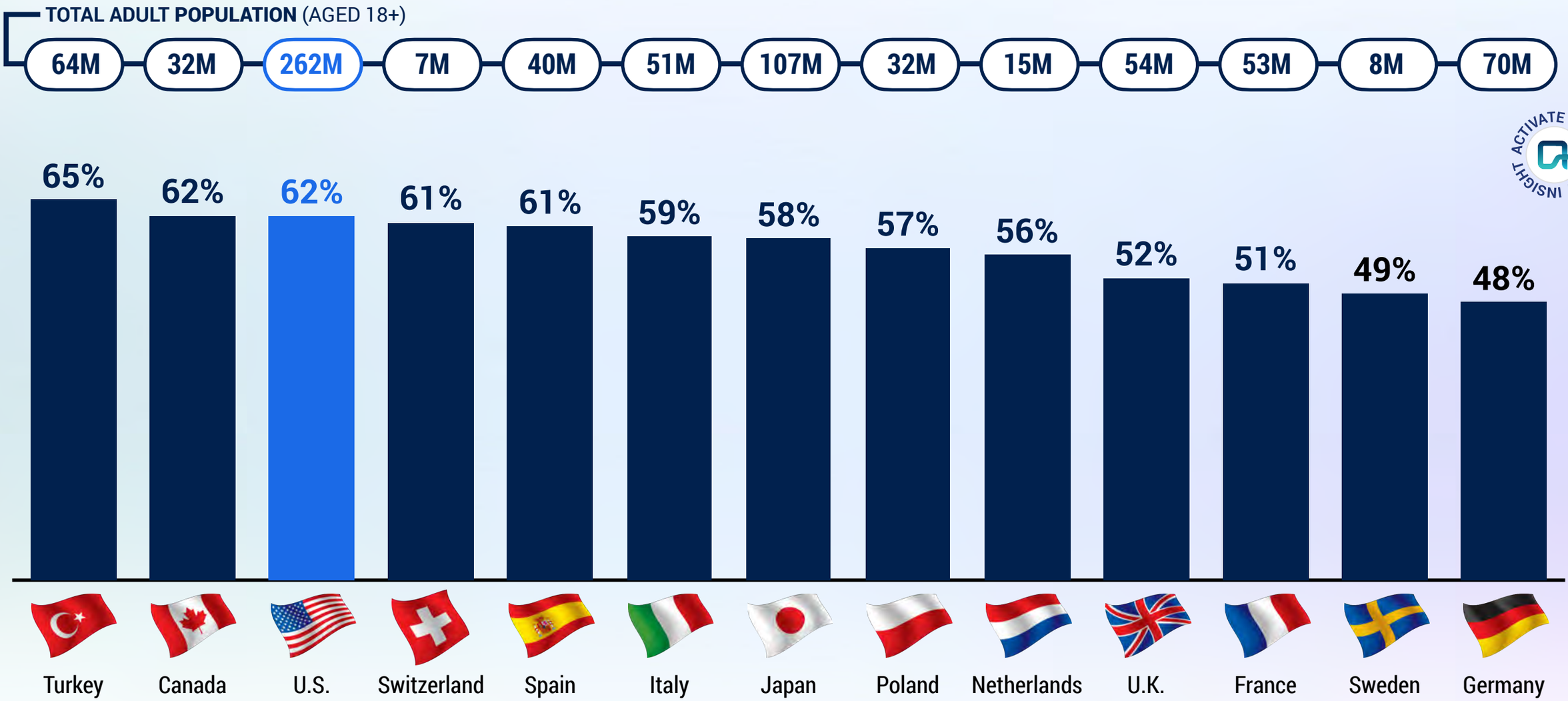
SHARE OF POPULATION WHO ARE MONTHLY SPORTS FANS[1], GLOBAL, 2025, % ADULTS AGED 18+ BY COUNTRY



1. "Monthly sports fans" are defined as adults 18+ who watch at least one sports league at least once per month while that league is in season.
Sources: Activate analysis, Activate 2025 Global Sports Consumer Research Study (n = 31,952), Activate 2025 U.S. Sports Consumer Research Study (n = 2,120), United Nations Population Division, U.S. Census Bureau

High demand for sports is a global phenomenon that is even more pronounced in certain regions of the world (2/2)

SHARE OF POPULATION WHO ARE MONTHLY SPORTS FANS[1], GLOBAL, 2025, % ADULTS AGED 18+ BY COUNTRY



1. “Monthly sports fans” are defined as adults 18+ who watch at least one sports league at least once per month while that league is in season.

Sources: Activate analysis, Activate 2025 Global Sports Consumer Research Study (n = 31,952), Activate 2025 U.S. Sports Consumer Research Study (n = 2,120), United Nations Population Division, U.S. Census Bureau

The most popular sports vary by country

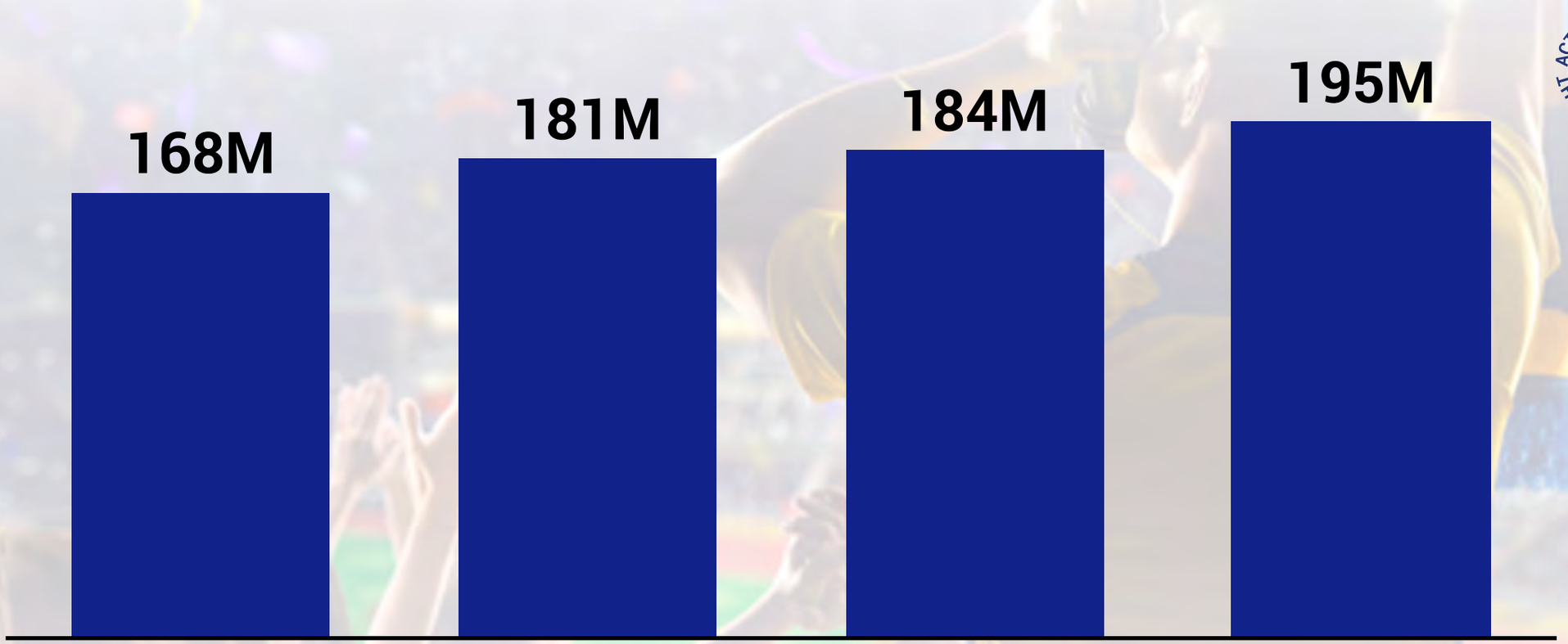
TOP THREE SPORTS WATCHED[1] BY COUNTRY

SPORT	India	U.S.	Indonesia	Nigeria	Brazil	Japan	Mexico	Egypt	Turkey	South Africa	South Korea	Germany	Italy	U.K.	France	Spain	Saudi Arabia	Canada	Poland	Australia	Netherlands	UAE	Jordan	Switzerland	Sweden	Qatar
1	CRICKET	AMERICAN FOOTBALL	SOCCER	SOCCER	SOCCER	BASEBALL	SOCCER	SOCCER	SOCCER	SOCCER	SOCCER	SOCCER	SOCCER	SOCCER	SOCCER	SOCCER	SOCCER	ICE HOCKEY	SOCCER	SOCCER	SOCCER	SOCCER	SOCCER	SOCCER	SOCCER	SOCCER
2	SOCCER	BASEBALL	COMBAT SPORTS	BASKETBALL	AUTOMOBILE RACING	SOCCER	AMERICAN FOOTBALL	BASKETBALL	BASKETBALL	RUGBY	BASEBALL	AUTOMOBILE RACING	AUTOMOBILE RACING	AUTOMOBILE RACING	RUGBY	AUTOMOBILE RACING	AUTOMOBILE RACING	AMERICAN FOOTBALL	AUTOMOBILE RACING	CRICKET	AUTOMOBILE RACING	BASKETBALL	BASKETBALL	ICE HOCKEY	ICE HOCKEY	AUTOMOBILE RACING
3	BASKETBALL	BASKETBALL	AUTOMOBILE RACING	COMBAT SPORTS	BASKETBALL	COMBAT SPORTS	BASKETBALL	COMBAT SPORTS	AUTOMOBILE RACING	CRICKET	BASKETBALL	AMERICAN FOOTBALL	BASKETBALL	RUGBY	AUTOMOBILE RACING	BASKETBALL	COMBAT SPORTS	SOCCER	BASKETBALL	RUGBY	COMBAT SPORTS	COMBAT SPORTS	COMBAT SPORTS	AUTOMOBILE RACING	AUTOMOBILE RACING	CRICKET

1. Ranked by number of adults aged 18+ in each country that watch each sport at least once per month while the sport is in season.
Sources: Activate analysis, Activate 2025 Global Sports Consumer Research Study (n = 31,952)

In the U.S., there are nearly 200M adult sports fans

SPORTS FANS[1], U.S., 2022-2025, MILLIONS ADULTS AGED 18+



SPORTS FANS[1] AS % OF ADULTS AGED 18+:	65%	70%	71%	74%

1. “Sports fans” are defined as adults aged 18+ who followed at least one sport in the last 12 months (e.g., attended live games in person, watched live games or game highlights, read articles or statistics).
Sources: Activate analysis, Activate 2022 Consumer Technology & Media Research Study (n = 4,001), Activate 2023 Consumer Technology & Media Research Study (n = 4,023), Activate 2024 Consumer Technology & Media Research Study (n = 4,004), Activate 2025 Consumer Technology & Media Research Study (n = 4,026), U.S. Census Bureau

The major sports leagues are moving from television to streaming

TOP LEAGUES BY NUMBER OF FANS[1] AND NATIONAL STREAMING DISTRIBUTION PARTNERS[2], U.S., 2025, MILLIONS LEAGUE FANS[1]

LEAGUE	LEAGUE FANS[1]	NATIONAL STREAMING RIGHTS PARTNERS[2] (2025-2026 SEASON)
NFL	102M	ESPN UNLIMITED, FOX ONE, NETFLIX, NFL+, Paramount+, peacock, prime video, YouTube
MAJOR LEAGUE BASEBALL	78M	tv, ESPN UNLIMITED, FOX ONE, HBO max, NETFLIX, peacock[3], Roku[4]
NCAA FOOTBALL	78M	ESPN UNLIMITED, FOX ONE, HBO max, Paramount+, peacock
NBA	62M	ESPN UNLIMITED, peacock, prime video
NCAA BASKETBALL	35M	ESPN UNLIMITED, FOX ONE, HBO max, Paramount+, peacock

1. "League fans" are defined as adults aged 18+ who followed the league in the last 12 months (e.g., attended live games in person, watched live games or game highlights, read articles or statistics). 2. Does not include services to watch out-of-market games (e.g., NBA League Pass, MLB.TV) or Conference+/overflow feeds (e.g., SEC+, BTN+). 3. Rumored, not yet finalized as of Oct. 29, 2025.
4. Refers to Roku's exclusive rights to Sunday Leadoff vs. MLB games carried through other agreements.
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026), CableTV.com, Company press releases, Company sites, CNBC, J.P. Morgan, Reuters, SportsPro, U.S. Census Bureau, Yahoo Sports

Consumers can now stream local games of almost every NBA, MLB, and NHL team

	STREAMING			ONLY AVAILABLE VIA PAY TV RSN
	PAID STREAMING		FAST[3]	
	FANDUEL SPORTS NETWORK	OTHER DTC		
NBA[1]	ATLANTA HAWKS, CHARLOTTE HORNETS, CLEVELAND CAVALIERS, DETROIT PISTONS, INDIANA PACERS, LOS ANGELES CLIPPERS, MEMPHIS GRIZZLIES, MIAMI HEAT, MILWAUKEE BUCKS, MINNESOTA TIMBERWOLVES, OKLAHOMA CITY THUNDER, ORLANDO MAGIC, SAN ANTONIO SPURS	BROKLYN NETS, CHICAGO BULLS, DALLAS MAVERICKS★, DENVER NUGGETS★, LOS ANGELES LAKERS, NEW ORLEANS PELICANS★, NEW YORK KNICKS, PHOENIX SUNS★, PORTLAND TRAILBLAZERS★, UTAH JAZZ★, WASHINGTON WIZARDS		BOSTON CELTICS, GOLDEN STATE WARRIORS, HOUSTON ROCKETS, PHILADELPHIA 76ERS, SACRAMENTO KINGS
MLB[2]	ATLANTA BRAVES★, CINCINNATI REDS★, DETROIT TIGERS, KANSAS CITY ROYALS, LOS ANGELES ANGELS★, MIAMI MARLINS, MILWAUKEE BREWERS, ST. LOUIS CARDINALS, TAMPA BAY RAYS	ARIZONA DIAMONDBACKS★, BALTIMORE ORIOLES★, BOSTON RED SOX, CHICAGO CUBS, CHICAGO WHITE SOX, CLEVELAND GUARDIANS★, COLORADO ROCKIES, MINNESOTA TWINS★, NEW YORK METS★, NEW YORK YANKEES, PITTSBURGH PIRATES, SAN DIEGO PADRES, SEATTLE MARINERS★, TEXAS RANGERS★, WASHINGTON NATIONALS★		ATHLETICS, HOUSTON ASTROS, LOS ANGELES DODGERS[4], PHILADELPHIA PHILLIES, SAN FRANCISCO GIANTS
NHL[1]	CAROLINA HURRICANES, COLUMBUS BLUE JACKETS, DETROIT RED WINGS, LOS ANGELES KINGS, MINNESOTA WILD, NASHVILLE PREDATORS, ST. LOUIS BLUES, TAMPA BAY LIGHTNING	BOSTON BRUINS, BUFFALO SABRES, CHICAGO BLACKHAWKS, COLORADO AVALANCHE★, FLORIDA PANTHERS★, NEW JERSEY DEVILS, NEW YORK ISLANDERS, NEW YORK RANGERS, PITTSBURGH PENGUINS, SEATTLE KRAKEN★, UTAH MAMMOTH★, VEGAS GOLDEN KNIGHTS★, WASHINGTON CAPITALS	ANAHEIM DUCKS, DALLAS STARS	PHILADELPHIA FLYERS, SAN JOSE SHARKS

★ Local games distributed on both streaming and broadcast[5]

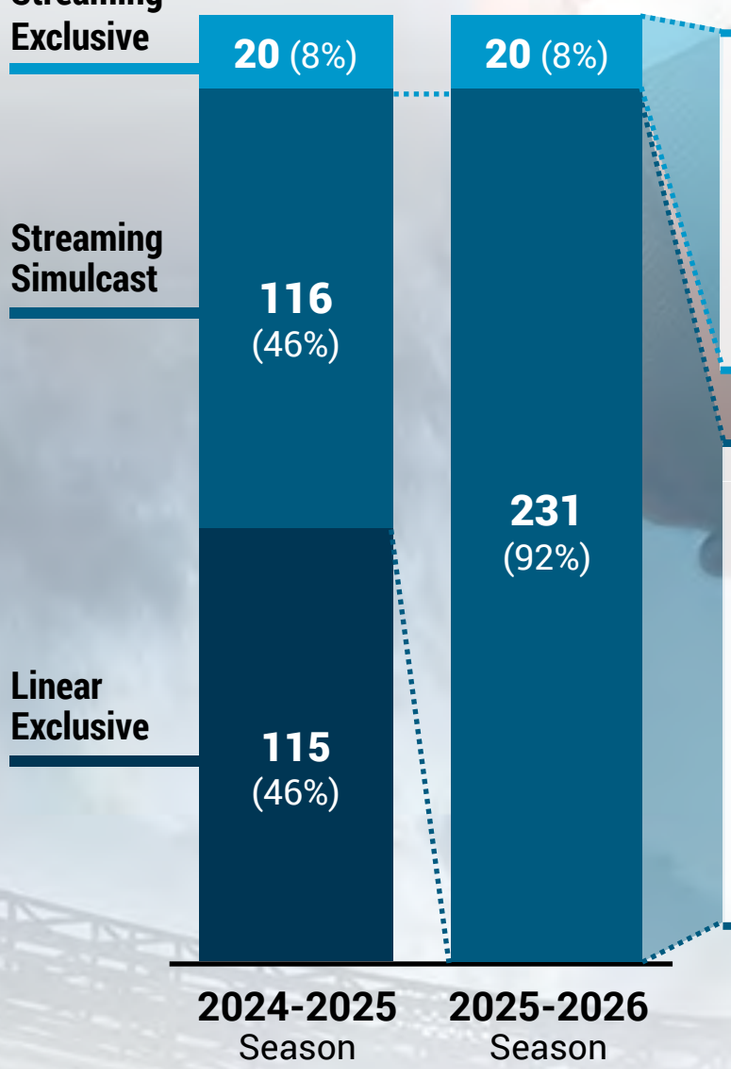
★ Denotes teams distributing via streaming this season, moving from Pay TV RSN exclusivity last season

There remains a small (and decreasing) number of teams whose local games can only be watched via the Pay TV bundle; compared to last season, 13 teams have moved from Pay TV RSN-exclusive distribution to include streaming in their distribution approaches

Note: Excludes teams based in Canada. 1. Reflects rights for 2025-2026 season. 2. Reflects rights for 2025 season. 3. Free ad-supported streaming services. 4. Dodgers games are available via streaming to in-market Spectrum mobile/broadband subscribers. 5. "Broadcast" includes only teams with 85%+ regular season game availability over-the-air.
Sources: Activate analysis, Company sites

This NFL season marks the first time that consumers can stream every single NFL game

AVAILABILITY OF 2024-2025 VS. 2025-2026 NFL REGULAR SEASON GAMES[1] BY DISTRIBUTION PLATFORM



2025-2026 NFL REGULAR SEASON

1 game

São Paulo Game · YouTube

16 games

Thursday Night Football · Black Friday Football · prime video

1 game

Peacock Holiday Exclusive

2 games

Christmas Special · NETFLIX

Amazon prime video

Peacock

NBC Sunday Night Football

ESPN Monday Night Football

International Games 2025

CBS

FOX

NBC

abc

NFL Network

Paramount+

FOX ONE

peacock

ESPN Unlimited

NFL+

1. Does not include out-of-market games available on NFL Sunday Ticket. Excludes 21 games that currently do not have a finalized distribution platform, compared like-for-like to the same 21 games in the 2024-2025 season that did not have a finalized distribution by Sept. 2024.
Sources: Activate analysis, Company sites

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Other major sports are available on streaming platforms

NATIONAL STREAMING DISTRIBUTION PARTNERS OF SELECT LEAGUES, U.S., 2025

LEAGUE	NATIONAL STREAMING RIGHTS PARTNERS[1] (2025-2026 / 2026 SEASON)
Formula 1	tv
MLS	tv, FOX ONE
NASCAR	FOX ONE, HBO max, peacock, prime video
PGA TOUR	ESPN Unlimited, Paramount+, peacock
Premier League	peacock
UFC	Paramount+
WNBA	ESPN Unlimited, peacock, prime video
WWE	ESPN Unlimited, NETFLIX, peacock

1. Does not include services to watch out-of-market games (e.g., WNBA League Pass).
Sources: Activate analysis, Associated Press, Barclays, BlackBook, Business Insider, Company press releases, Company sites, The Hollywood Reporter, J.P. Morgan, Rain the Growth Agency, Sports Media Watch, Sports Video Group

To compete against emerging streaming offerings, leading U.S. traditional Pay TV operators have created sports-focused skinny bundles (1/2)

U.S. PAY TV SPORTS-FOCUSED SKINNY BUNDLE: SPORTS CHANNEL COVERAGE

	Provider(s)	COMCAST / xfinity	DIRECTV	fubo
	Offering	SPORTS & NEWS TV	MYSPORTS	FUBO SPORTS
	Offering Launch Date	January 2025	January 2025	September 2025
	Offering Price	$70.00/month	$69.99/month	$55.99/month
	ESPN Unlimited		•	
College Conferences	B1G, SEC Network, ACC Digital Network	*INCLUDED IN ALL PACKAGES*		
Diversified Channels with Sports Programming	ion Television			•
	tbs		•	
	TNT Sports		•	
	truTV		•	
	USA		•	•
General Sports	ESPN	•	•	•
	ESPN 2	•	•	•
	ESPNEWS		•	•
	ESPN U		•	•
	FS1	•	•	•
	FS2	•	•	•
Professional Leagues	Golf Channel	•	•	•
	MLB Network		•	
	NBA TV		•	
	NFL Network		•	•
	NHL Network		•	
	WNBA / ion			•

MARKET CONTEXT

- **ESPN + Fox One bundled services product launched in October 2025 for $39.99/month;** individual products available to consumers as of late-August 2025
- **Leading Virtual Pay TV operators (YouTube TV and Hulu + Live TV) do not offer a sports-focused "skinny" bundle,** as their base plans (priced at $82.99/month for YouTube TV and $82.99/month for Hulu + Live TV in a bundle with Disney+ and ESPN Select) include access to major linear sports networks, such as ESPN and TNT

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Note: Channel coverage as of Sept. 20, 2025.
Sources: Activate analysis, Company press releases, Company sites

To compete against emerging streaming offerings, leading U.S. traditional Pay TV operators have created sports-focused skinny bundles (2/2)

U.S. PAY TV SPORTS-FOCUSED SKINNY BUNDLE: NEWS & WEATHER CHANNEL COVERAGE

Provider(s)	COMCAST / xfinity	DIRECTV	fubo
Offering	**SPORTS & NEWS TV**	**MYSPORTS**	**FUBO SPORTS**
Offering Launch Date	January 2025	January 2025	September 2025
Offering Price	**$70.00/month**	**$69.99/month**	**$55.99/month**
Local News	abc, CBS, FOX, NBC	***INCLUDED IN ALL PACKAGES***	
News & Weather	CNBC, CNN, FOX BUSINESS, FOX NEWS, MSNBC	***INCLUDED IN ALL PACKAGES***	
	Bloomberg	•	
	FOX WEATHER Plan On It.	•	
	HLN	•	
	NEWSMAX	•	
	NEWS NATION	•	
	The Weather Channel	•	

MARKET CONTEXT

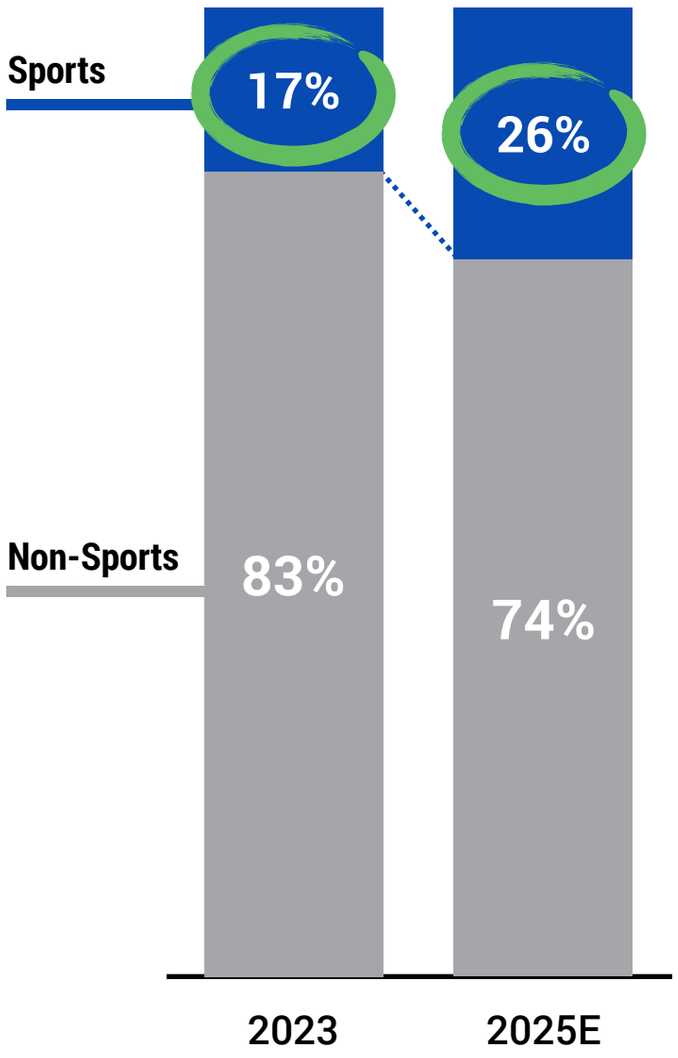
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Note: Channel coverage as of Sept. 20, 2025.
Sources: Activate analysis, Company press releases, Company sites

Rights values have exploded as programmers increasingly focus budgets on sports to meet consumer demand

PROGRAMMING SPEND[1] BY TYPE, GLOBAL, 2023 VS. 2025E, % TOTAL PROGRAMMING SPEND[1]



SPORTS LEAGUE MEDIA RIGHTS DEAL VALUATION INCREASE, U.S., NEW DEAL AVERAGE ANNUAL VALUE (AAV) VS. PREVIOUS DEAL

LEAGUE	PREVIOUS AAV	NEW AAV	NEW VS. PREVIOUS DEAL STEP-UP
NWSL	$1.5M (2021-2023)	$60M (2024-2027)	40.0x
AEW	$45M (2020-2024)	$185M (2025-2027)	4.1x
WNBA	$60M (2023-2024)	$200M (2025-2036)	3.3x
NBA	$2.7B (2016-2024)	$6.9B (2025-2036)	2.6x
UEFA CHAMPIONS LEAGUE	$100M (2021-2024)	$250M (2025-2030)	2.5x
us open	$70M (2015-2025)	$170M (2026-2037)	2.4x
NFL	$4.4B (2014-2022)	$10.1B (2023-2033)	2.3x
UFC	$500M (2019-2025)	$1.1B (2026-2032)	2.2x
Formula 1	$90M (2023-2025)	$150M (2026-2030)	1.7x
WWE	$700M (Multiple Deals[2])	$1.1B (Multiple Deals[2])	1.6x

1. "Programming spend" consists of total programming expenditure on both original productions and acquired programming by major broadcast and Pay TV operators and streaming platforms. 2. Compares the summed AAV of three different media rights deals for PPVs and originals, WWE Raw, and WWE Smackdown (each with different contract periods).
Sources: Activate analysis, Ampere Analysis, Associated Press, ESPN, Sportico, SportsPro, The Wall Street Journal

To capitalize on the global demand for sports, major U.S. leagues will expand international initiatives to serve fans around the world

INTERNATIONAL INITIATIVES OF MAJOR U.S. SPORTS LEAGUES

NFL



- The NFL announced a record seven international games in 2025 across five countries, with Dublin and Madrid joining London, Berlin, and São Paulo as host cities — marking the first-ever NFL games in Ireland and Spain

NFL



- The NFL expanded its Global Markets Program in 2025, with all 32 teams participating
- Each team has international marketing rights across 21 countries to deepen fan engagement, brand building, and grassroots development

NBA



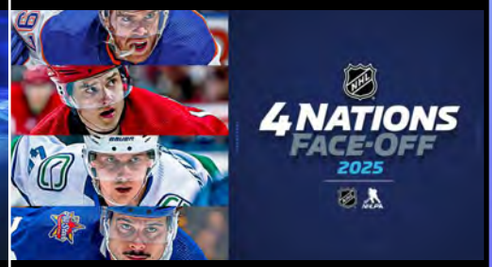
- The NBA announced a three-year slate of regular-season international games beginning in 2026, with the Memphis Grizzlies and the Orlando Magic playing in Berlin and London
- The teams will conduct youth clinics, community outreach, coach and referee development, and interactive fan activities

MLB



- In 2025, the MLB hosted a two-game series between the Los Angeles Dodgers and Chicago Cubs in Japan — the first MLB games to be played in Japan since the 2019 season opening
- The MLB will also return to Mexico City in 2026 for a two-game series between the San Diego Padres and the Arizona Diamondbacks

NHL



- In February 2025, the NHL hosted the inaugural 4 Nations Face-Off, where league players from Canada, Sweden, Finland, and the U.S. played for their native countries
- The NHL Global Series continues in 2025, returning to Sweden for a pair of games between the Nashville Predators and the Pittsburgh Penguins

Sources: Activate analysis, Company press releases, Company sites

Leading institutional investors have created sports-focused investment entities to capitalize on the sports opportunity

MAJOR SPORTS-FOCUSED INVESTMENT FUND LAUNCHES

	OWNER / KEY PRINCIPALS	LAUNCH DATE	SIZE
CVC Global Sports Group	CVC	Sept. 2025	$14.0B
Apollo Sports Capital	APOLLO	Sept. 2025	$5.0B
RedBird Capital Fund IV	REDBIRD CAPITAL PARTNERS	May 2022	$4.7B
Arctos Sports Partners II	ARCTOS	Apr. 2024	$4.1B
Enfield Capital Partners Sports Fund	SURJ SPORTS INVESTMENT; enfield capital partners	Jan. 2025	$4.0B
Ares Sports, Media, and Entertainment Finance Fund	ARES	Sept. 2022	$3.7B
Avenue Sports Fund	Marc Lasry; AVENUE CAPITAL GROUP	Oct. 2023	$1.5B
HXCO	Ryan Smith, Ryan Sweeney	Apr. 2025	$1.0B
Harbinger Sports Partners Fund I	Mark Cuban, Rashaun Williams, Steve Cannon	May 2025	$750M
Isos7 Sports Partners	ISOS; Carmelo Anthony	Feb. 2023	$750M
Elevate College Investment Initiative	elevate; VELOCITY CAPITAL MANAGEMENT	July 2025	$500M

Note: Not exhaustive.
Sources: Activate analysis, Associated Press, Axios, Bloomberg, Company press releases, Company sites, Sportico, SportsPro, The Wall Street Journal



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PREDICTION BECOMES TOKENIZED: PREDICTION MARKETS, SPORTS BETTING, AND IGAMING

Prediction markets are seeing rapid growth in adoption, as consumers look for betting opportunities across a broader selection of categories and topics

Expanded Betting Categories

Consumers can bet on a broader range of potential categories (e.g., politics/elections, economics, finance, crypto, media and entertainment, science and tech, climate) **compared to traditional betting platforms**

Potential For Greater Returns

Market price is set in real time based on collective sentiment, not top-down odds-makers, offering greater returns for contrarian perspectives

CONSUMER DEMAND DRIVERS

Limitless Topics To Bet On

Users can make a market for nearly every topic within a category, unconstrained from pre-determined offerings set by traditional market-makers

Reduced Platform Fees

Decentralized platforms (e.g., Polymarket, Gnosis, Augur) **reduce fees paid toward market-makers, creating opportunities for greater returns for participants**

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Source: Activate analysis

Prediction markets offer opportunities for consumers to bet on a nearly endless selection of categories and topics

CATEGORY	EXAMPLE BETTING TOPICS	KEY PLAYERS
SPORTS	• Game results and championship outcomes • Player awards and trades • Team performance KPIs	augur, Kalshi, Polymarket
POLITICS	• Election outcomes • Policy implementation decisions • Legislative vote outcomes	ForecastEx, Gnosis, IEM Iowa Electronic Markets, Kalshi, MANIFOLD, Polymarket, PredictIt
CRYPTO	• Cryptocurrency market trends and prices • Regulatory implementation decisions • Blockchain protocol adoption	augur, Myriad, Polymarket
MEDIA & ENTERTAINMENT	• Awards recognition • Box office performance • Celebrity news and public appearances	augur, Gnosis, Smarkets
ECONOMY & FINANCE	• Macroeconomic indicators • Corporate activity/performance • Market results (e.g., S&P 500 levels, oil prices)	ForecastEx, Gnosis, Kalshi, Limitless, Polymarket
CLIMATE & WEATHER	• Climate patterns and extreme weather events • Temperature trends and thresholds • Precipitation levels and hurricane frequency	ForecastEx, Kalshi, Polymarket
SCIENCE & TECHNOLOGY	• Technology developments and breakthroughs • Healthcare and biotech advancements • Public health metrics and outcomes	augur, IEM Iowa Electronic Markets, MANIFOLD, Myriad, Polymarket

Sources: Activate analysis, Company sites

Kalshi and Polymarket have established themselves as leaders in an already crowded market

TOP GLOBAL PREDICTION MARKET PLATFORMS

	Kalshi	Polymarket	augur	ForecastEx	Gnosis	MANIFOLD	PredictIt [1]
LAUNCH	2018	2020	2018	2024	2015	2021	2014
TYPE	**Centralized** (CFTC regulated)	**Decentralized** (CFTC regulated)	**Decentralized** (not regulated)	**Centralized** (CFTC regulated)	**Decentralized** (not regulated)	**Play-money, reputation-based** (not regulated)	**Centralized** (CFTC regulated)
TRADING MECHANISM	**Yes/No Contracts**	**Automated Market-Maker** (blockchain-based)	**Automated Market-Maker** (blockchain-based)	**Yes/No Contracts**	**Automated Market-Maker** (blockchain-based)	**Automated Market-Maker** (blockchain-based)	**Yes/No Contracts**
KEY CATEGORIES ADDRESSED	**Cross-Category**	**Cross-Category**	**Cross-Category**	**Politics, Economy & Finance, Climate & Weather**	**Politics, Economy & Finance, Media & Entertainment**	**Politics, Science & Technology**	**Politics**
FEES	**Transaction fee on expected earnings of the contract**	**2% fee on net profit of winning trades**	**Percentage fee on trades**	**Percentage fee on trades**	**Percentage fee on trades**	**Donations and premium features**	**5% fee on net profit of winning trades**
NOTABLE INVESTORS	**a16z, Coinbase, Sequoia**	**1789 Capital, ICE, Founders Fund**	**Multicoin Capital, Pantera Capital**	**Interactive Brokers Group**	**GnosisDAO**	**BoxOne Ventures, FTX Future Fund, Soma Capital**	**Aristotle Inc., Victoria University of Wellington**

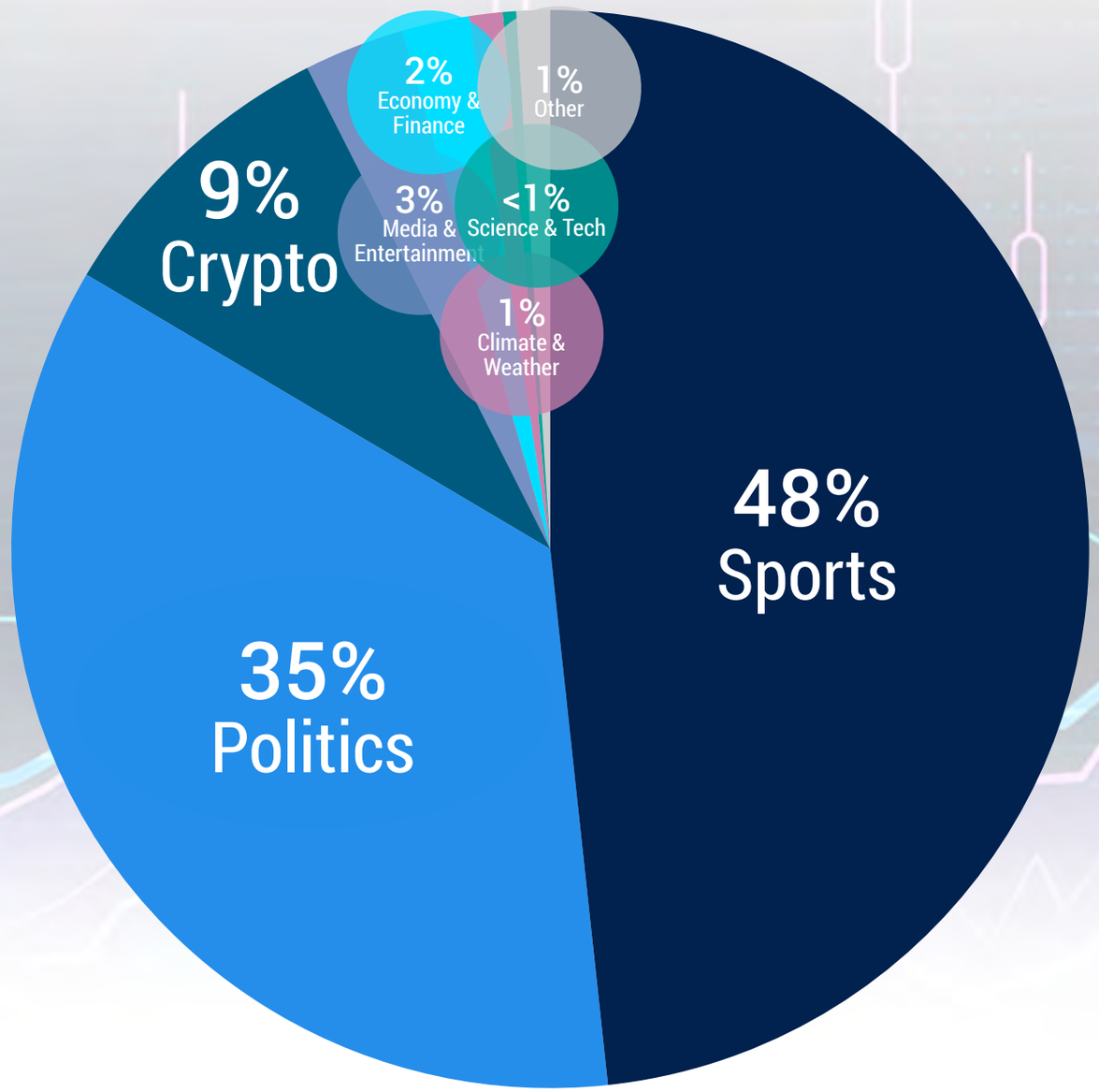
Market Leaders

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1. Only accessible in the U.S.
Sources: Activate analysis, Company press releases, Company sites

Sports, politics, and crypto are the top categories for prediction markets, driving the vast majority of transaction volume across top platforms

SHARE OF TRANSACTION VOLUME[1] ON KALSHI AND POLYMARKET BY CATEGORY,
GLOBAL, OCT. 2024-OCT. 2025, % TOTAL TRANSACTION VOLUME[1] ON KALSHI AND POLYMARKET

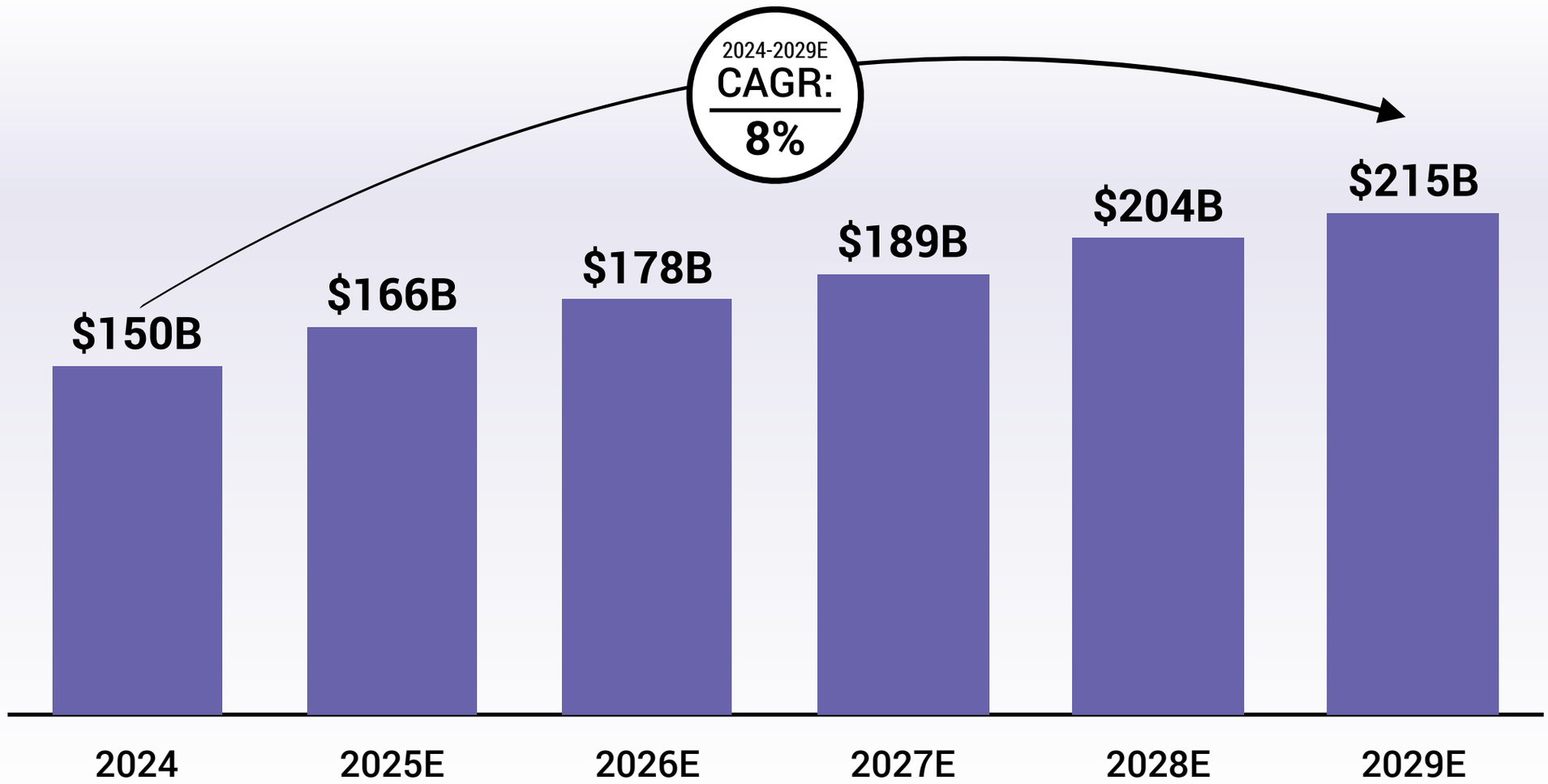


1. “Transaction volume” is defined as the total amount of money traded across the platforms.
Sources: Activate analysis, Company sites, Dune Data

We forecast total U.S. sports betting amount wagered will surpass $200B annually in 2028, reaching $215B in 2029

TOTAL SPORTS BETTING AMOUNT WAGERED[1], U.S., 2024-2029E, BILLIONS USD

ACTIVATE FORECAST



NUMBER OF STATES WITH LEGAL SPORTS BETTING[1]:	2024	2025E	2026E	2027E	2028E	2029E
	40	40	40	43	44	48

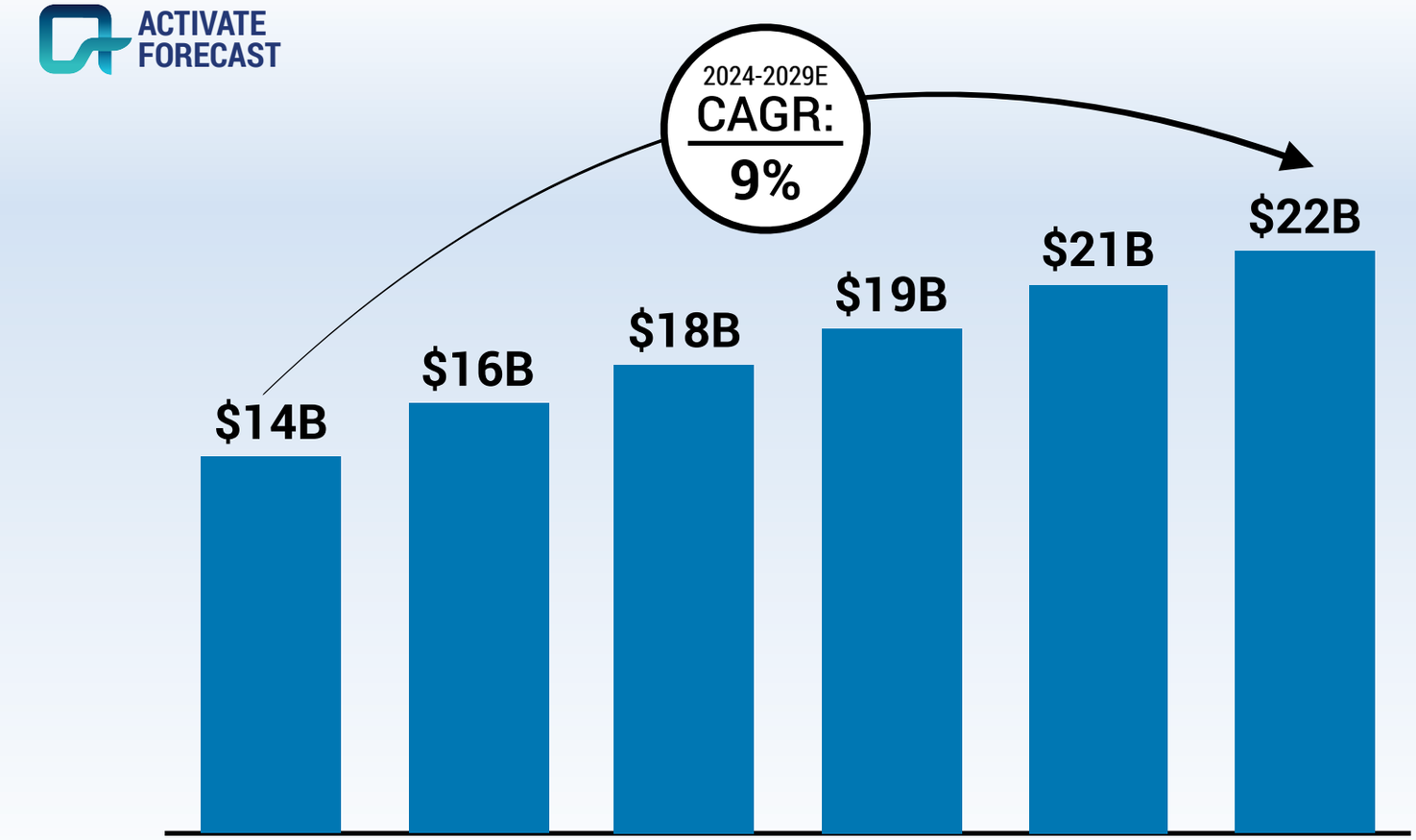
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1. Projection assumes 48 states will legalize (but not necessarily launch) sports betting by 2029. Includes Washington, D.C. as a state.
Sources: Activate analysis, Legal Sports Report, The Lines, Nevada Gaming Control Board, SportsHandle, State regulator press releases, State regulator sites, U.K. Gambling Commission

Sports betting operator revenue will reach $22B by 2029, outpacing growth in total handle as operator margins continue to grow

GROSS GAMING REVENUE[1], U.S., 2024-2029E, BILLIONS USD

ACTIVATE FORECAST



HOLD %[2]	9.5%	9.8%	9.9%	10.1%	10.1%	10.2%

SPORTS BETTING REVENUE[1] GOES TO...

ONLINE SPORTSBOOKS

BETMGM · CAESARS SPORTSBOOK · FANDUEL · Fanatics Sportsbook · DRAFTKINGS

CASINOS/RACETRACKS

CHURCHILL DOWNS · Wynn Resorts · Sands · pimlico Home of The Preakness

FACTORS CONTRIBUTING TO AN INCREASE IN HOLD PERCENTAGE[2]

- *Promotion of parlays / same-game parlays on major online sportsbooks and continued development of high-margin betting markets (e.g., in-play/live betting)*
- *More accurate odds-setting due to increased sophistication of risk management solutions*
- *Personalized betting experiences that tailor recommendations based on players' historical betting styles and activity*
- *Reduced promotional spend as operators prioritize margin optimization*

1. Total amount wagered less player winnings. Calculated as a share of the total amount wagered, dependent on odds, type of wager, and individual sportsbooks. 2. "Hold" is defined as the margin generated by the sportsbooks and calculated as the weighted average annualized hold percentage across all reporting jurisdictions.
Sources: Activate analysis, Legal Sports Report, The Lines, Nevada Gaming Control Board, SportsHandle, State regulator press releases, State regulator sites, U.K. Gambling Commission, The Wall Street Journal

Today, two thirds of adults 21+ live in a state with sports betting

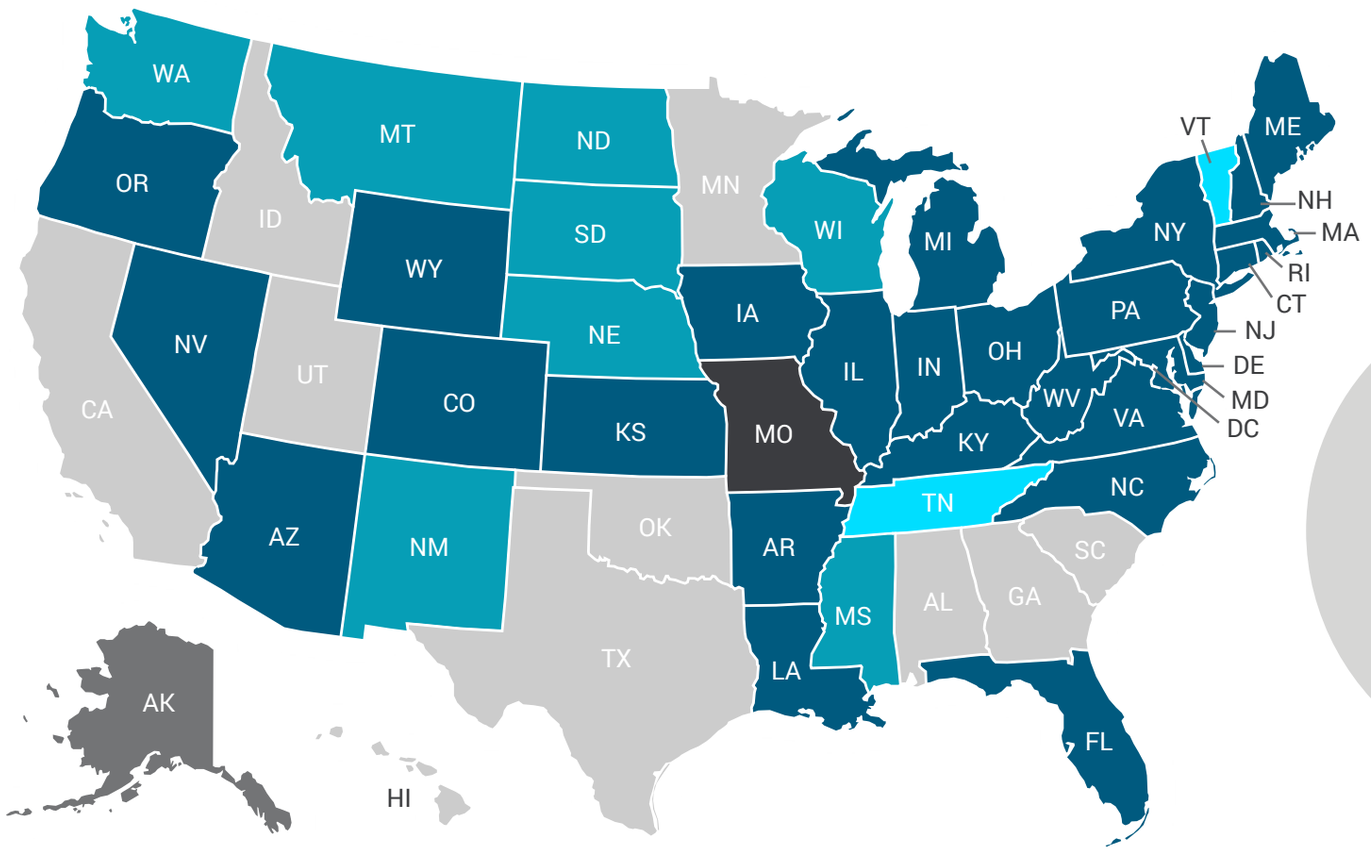
U.S. SPORTS BETTING MARKET LIVE STATES[1] BY CHANNEL

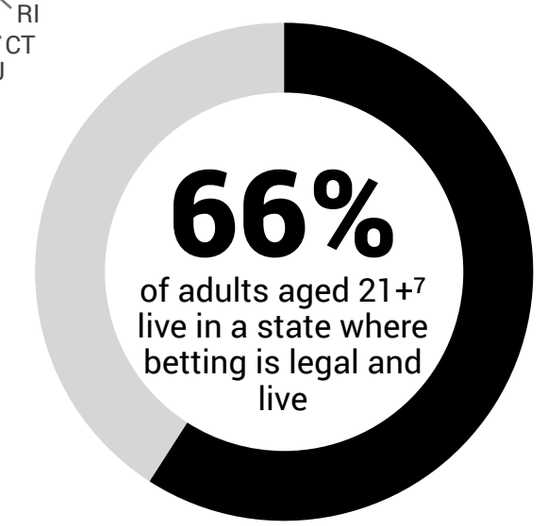
39
LEGAL & LIVE STATES[1]

- **29** **LEGAL** ONLINE & IN-PERSON[2]
- **8** **LEGAL** IN-PERSON ONLY[3]
- **2** **LEGAL** ONLINE ONLY[4]

12
NON-LIVE STATES[1]

- **1** **LEGAL** NOT LIVE[5]
- **1** **PENDING** LEGISLATION[6]
- **10** NOT LEGAL





1. “Live states” are defined as states in which sports betting is legal and currently operational as of Sept. 2025. Includes Washington, D.C. as a state. 2. "Legal online & in-person“ is defined as states where online sports betting and in-person sports betting is legal. 3. "Legal in-person only" is defined as states where sports betting is legal and live but permitted only within the physical boundaries of a retail-licensed sports betting operator or other geofenced location (e.g., sports venues, casinos, hotels, restaurants). 4. "Legal online only" is defined as states where sports betting is legal and live, but not permitted in-person; it is only legal online. 5. "Legal not live" is defined as states who have passed legislation legalizing sports betting, but, as of Sept. 2025, do not have any live operations to sports bet. 6. “Pending legislation” is defined as states that have active legislation to legalize sports betting as of Sept. 2025. 7. The legal betting/gambling age is 21 in most states.
Sources: Activate analysis, Legal Sports Report, State regulator sites

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iGaming is legal and live in seven states today, with six pending legislation

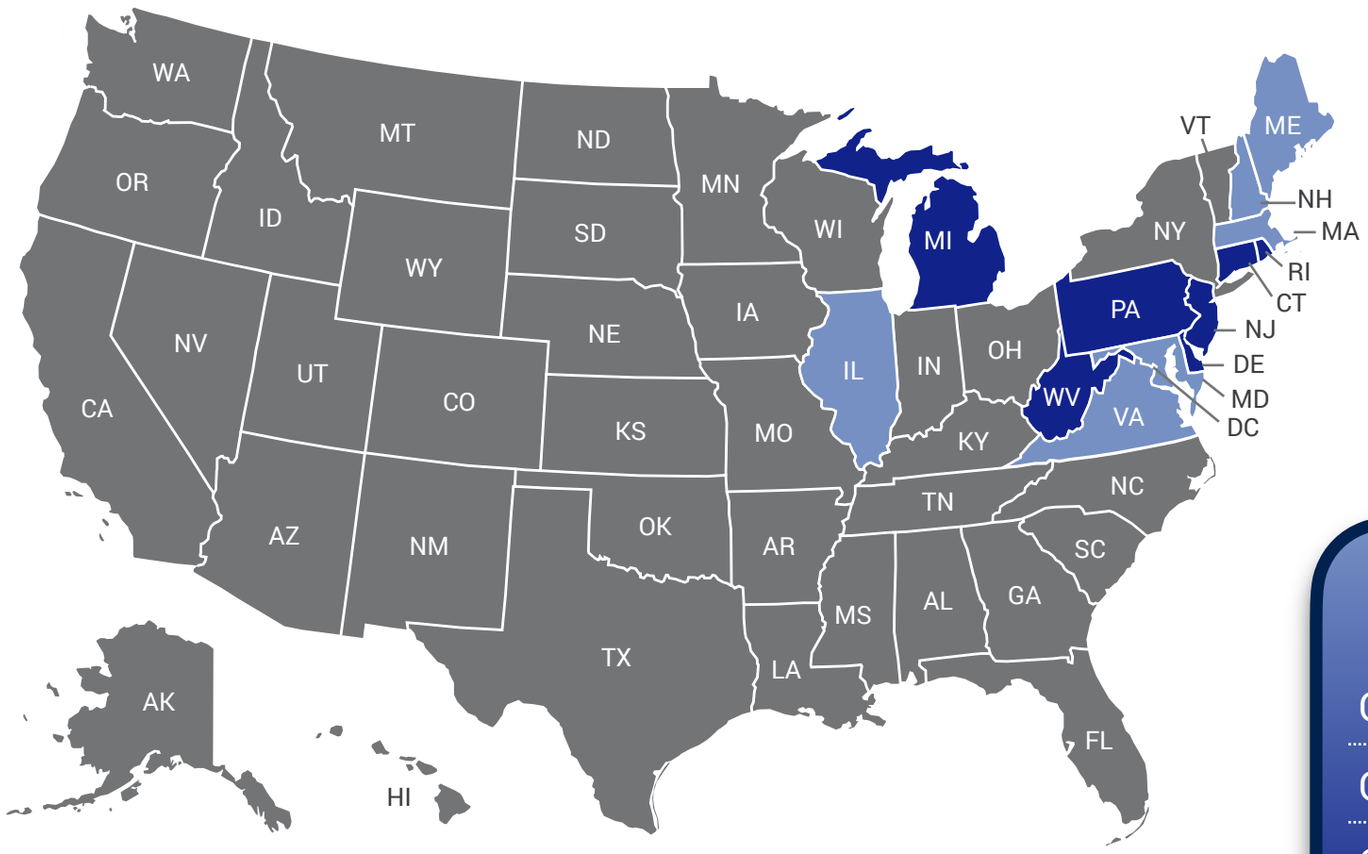
U.S. IGAMING MARKET LIVE STATES[1]

7
LEGAL & LIVE STATES[1]

44
NON-LIVE STATES[1]

6 ***PENDING IGAMING LEGISLATION[2]***

38 ***NO LEGAL IGAMING***



iGaming consists of:

Online slots

Online roulette

Online card games (e.g., poker, blackjack)

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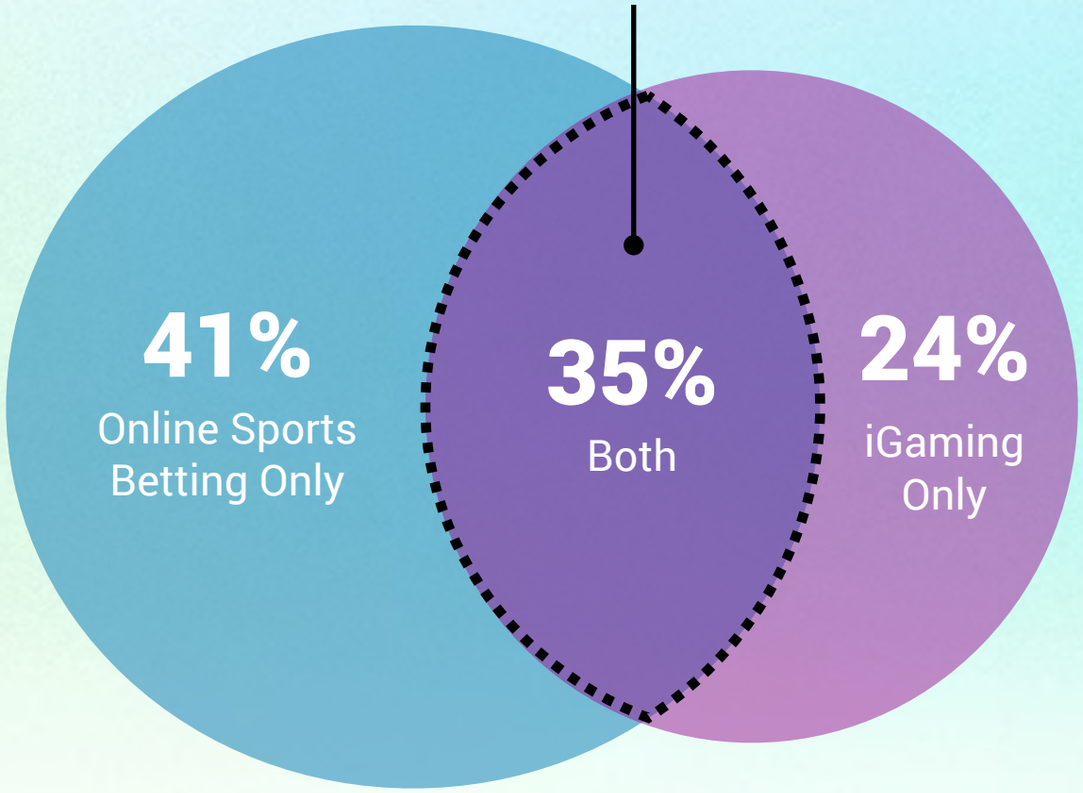
1. “Live states” are defined as states in which casino gaming is legal and currently operational as of Sept. 2025. Includes Washington, D.C. as a state. 2. “Pending iGaming legislation” is defined as states that have active legislation to legalize iGaming.
Sources: Activate analysis, American Gaming Association, State regulator sites, VIXIO

Sports betting will be a key driver of iGaming scale, as there is large overlap in interest and participation between the two activities

ONLINE SPORTS BETTING AND IGAMING PARTICIPATION,
U.S, 2025, % ONLINE SPORTS BETTORS[1] AND IGAMERS[2] AGED 18+ IN STATES WHERE BOTH ARE LEGAL AND LIVE

8M

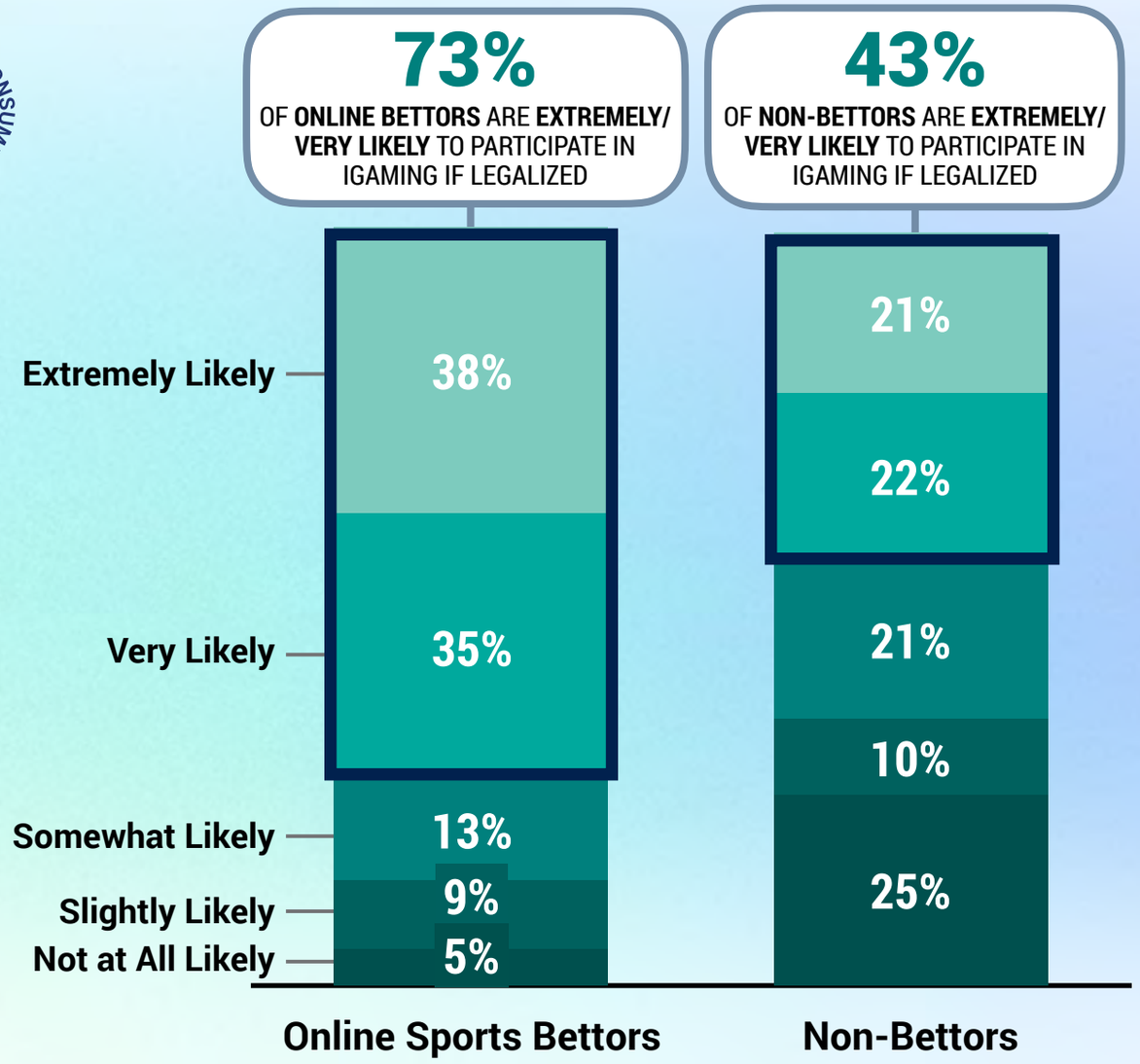
PARTICIPANTS OF BOTH ONLINE SPORTS BETTING AND IGAMING IN **SEVEN STATES** WHERE BOTH ARE LEGAL AND LIVE



INTEREST IN IGAMING IF LEGALIZED[3],
U.S, 2025, % ONLINE SPORTS BETTORS[1] & NON-BETTORS AGED 18+ IN STATES WHERE IGAMING IS NOT LEGAL

73% OF **ONLINE BETTORS** ARE **EXTREMELY/ VERY LIKELY** TO PARTICIPATE IN IGAMING IF LEGALIZED

43% OF **NON-BETTORS** ARE **EXTREMELY/ VERY LIKELY** TO PARTICIPATE IN IGAMING IF LEGALIZED



1. “Online sports bettors” are defined as adults aged 18+ who have bet on sports online with real money within the last 12 months.
2. “iGamers” are defined as adults aged 18+ who have used real money to play online casino games (e.g., slots, roulette, blackjack, poker) within the last 12 months. 3. Figures do not sum to 100% due to rounding.
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026), U.S. Census Bureau

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Across the states that have legalized both, iGaming collects over 3x as much gross revenue than online sports betting; widespread legalization across more states could generate significant gaming revenue

ONLINE SPORTS BETTING VS. IGAMING GROSS GAMING REVENUE (GGR) BY STATE[1], U.S., TTM JUNE 2025

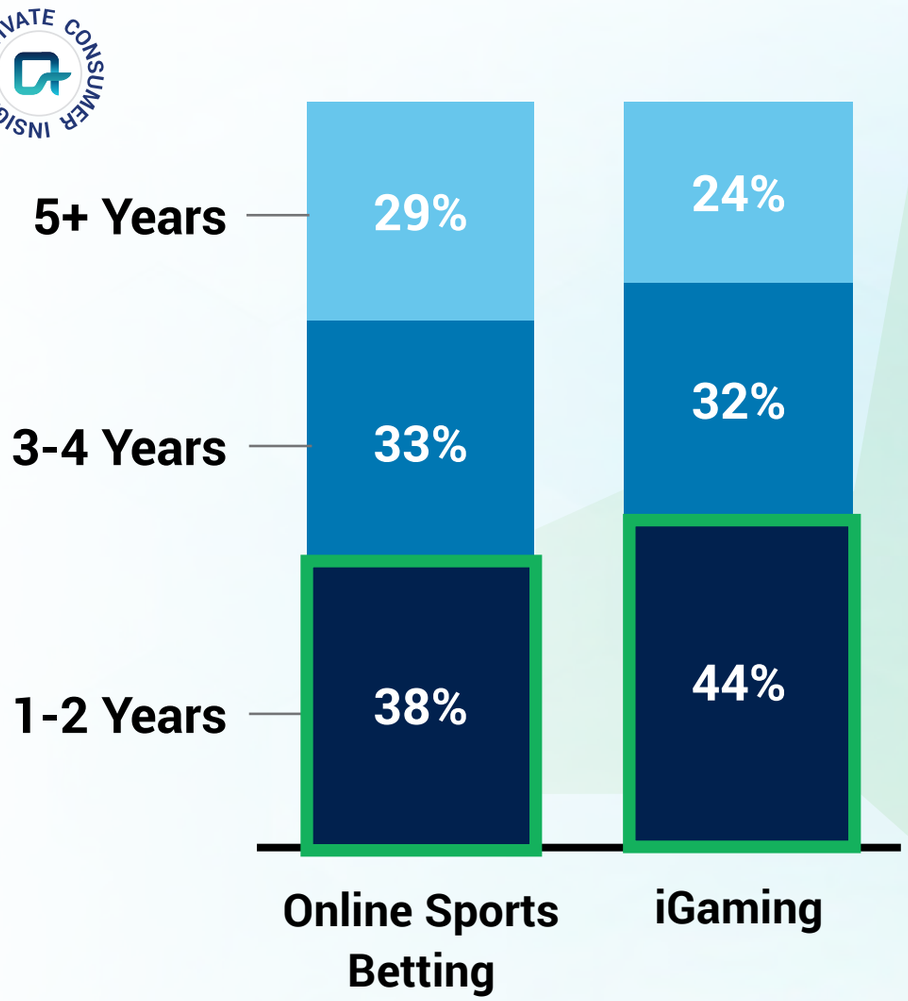
STATE	IGAMING GGR	ONLINE SPORTS BETTING GGR	IGAMING GGR VS. ONLINE SPORTS BETTING GGR
Michigan	$2.8B	$526M	5.2x
Delaware	$85M	$24M	3.6x
Pennsylvania	$2.5B	$746M	3.3x
New Jersey	$2.4B	$1.0B	2.4x
Connecticut	$423M	$192M	2.2x
Rhode Island	$45M	$33M	1.3x
TOTAL	$8.2B	$2.5B	3.3x

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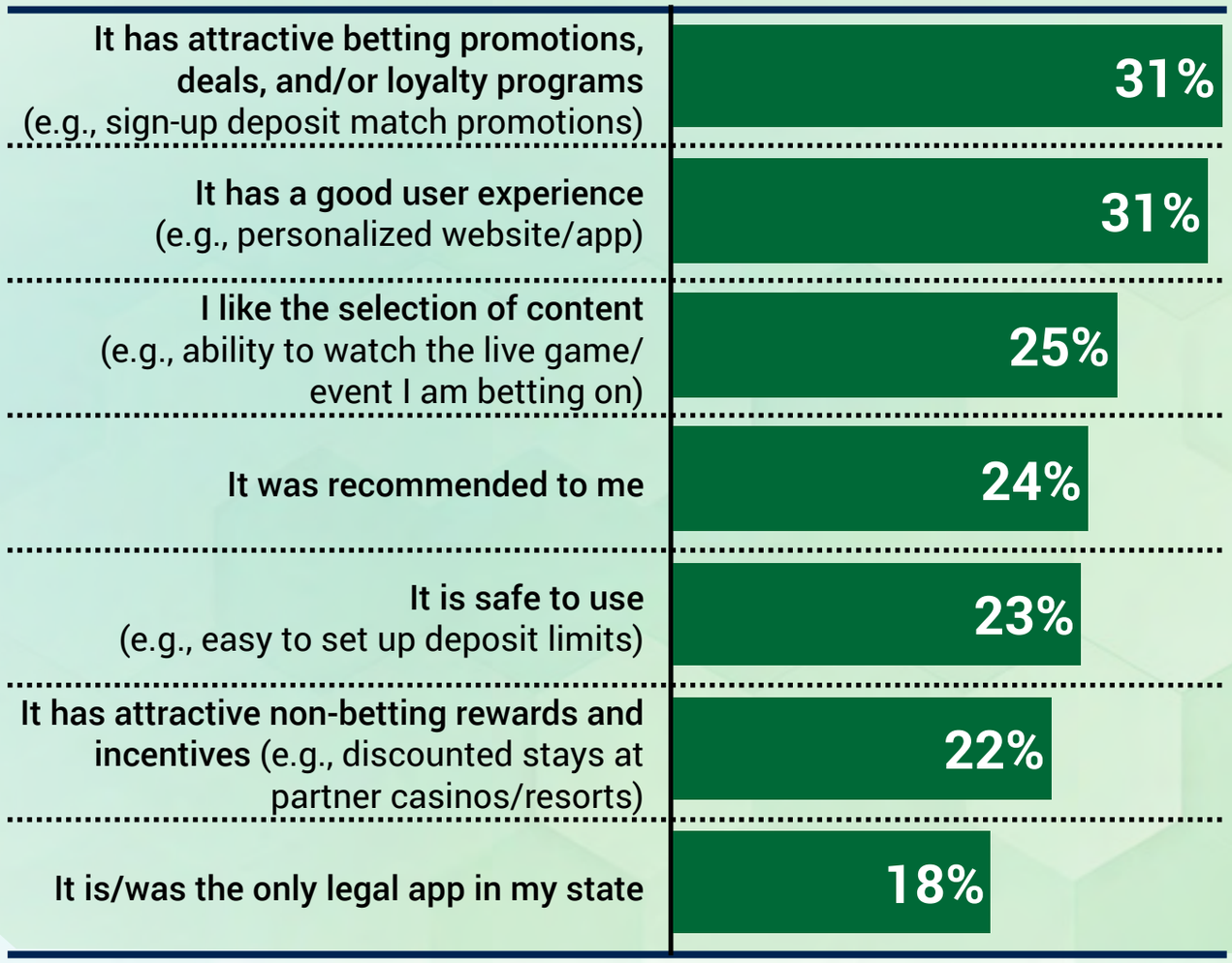
1. Includes states where both online sports betting and iGaming are legal and live. Excludes West Virginia from analysis due to limited availability of revenue figures. Figures do not sum due to rounding.
Sources: Activate analysis, State regulator sites

A large proportion of online sports bettors and iGamers are new to the activities, having signed up for betting/gaming platforms primarily for attractive betting promotions and a strong user experience

ONLINE SPORTS BETTORS[1] AND IGAMERS[2] BY TENURE, U.S., 2025, % ONLINE SPORTS BETTORS[1] AND IGAMERS[2]



TOP REASONS[3] FOR JOINING AN ONLINE SPORTS BETTING/IGAMING PLATFORM, U.S., 2025, % ONLINE SPORTS BETTORS[1] AND IGAMERS[2] THAT BEGAN PARTICIPATING IN THE LAST TWO YEARS

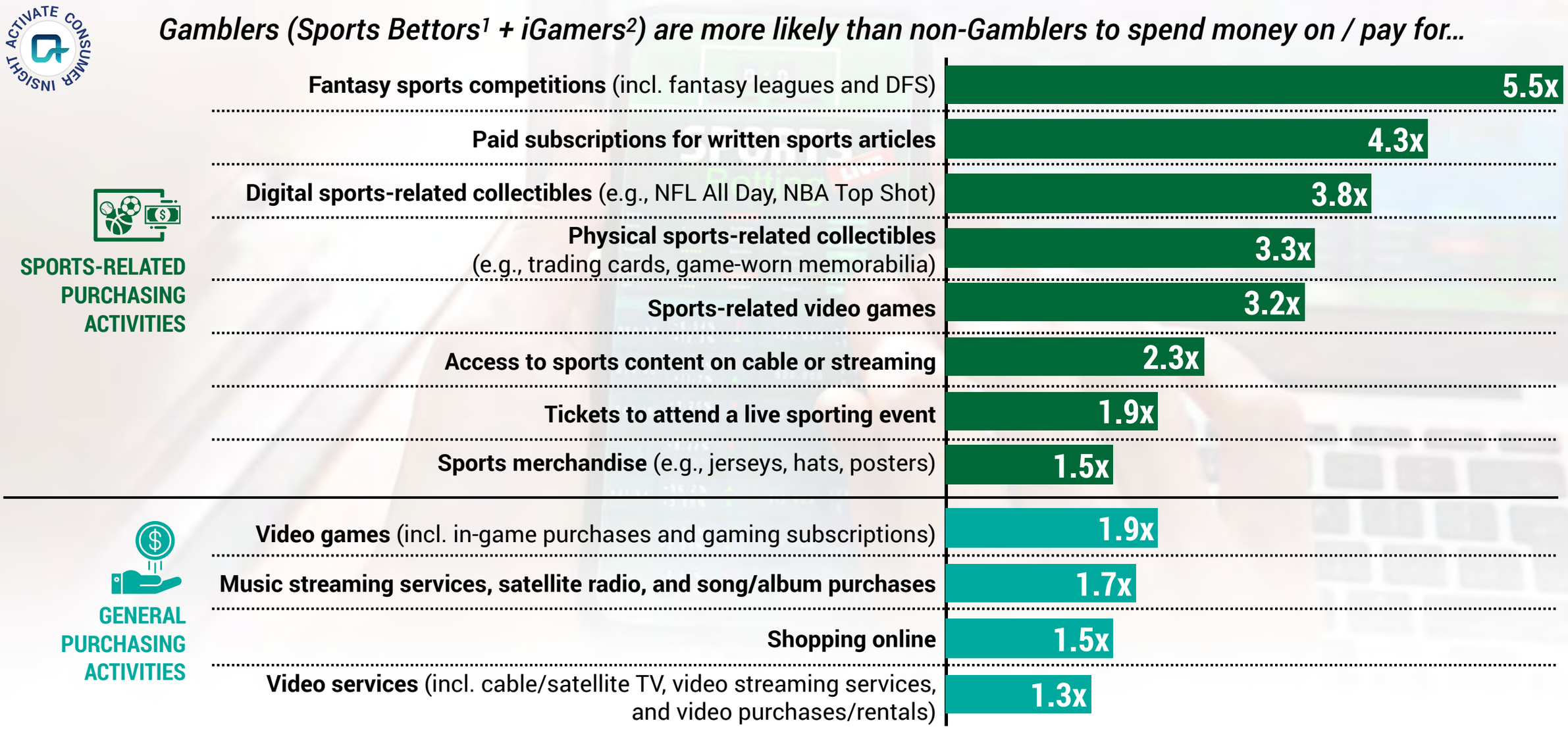


1. "Online sports bettors" are defined as adults aged 18+ who have bet on sports online with real money within the last 12 months.
2. "iGamers" are defined as adults aged 18+ who have used real money to play online casino games (e.g., slots, roulette, blackjack, poker) within the last 12 months. 3. Respondents were prompted to select up to three top reasons.
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026)

Sports bettors and iGamers are much more likely than non-bettors/gamers to be spenders across a number of media activities, both inside and outside of sports

PREVALENCE OF MEDIA PURCHASING BEHAVIORS FOR SPORTS BETTORS[1] AND IGAMERS[2], U.S., 2025, GAMBLERS INDEXED TO NON-GAMBLERS

Gamblers (Sports Bettors[1] + iGamers[2]) are more likely than non-Gamblers to spend money on / pay for…



1. "Sports bettors" are defined as adults aged 18+ who have bet on sports with real money within the last 12 months. 2. "iGamers" are defined as adults aged 18+ who have used real money to play online casino games (e.g., slots, roulette, blackjack, poker) within the last 12 months.
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026)



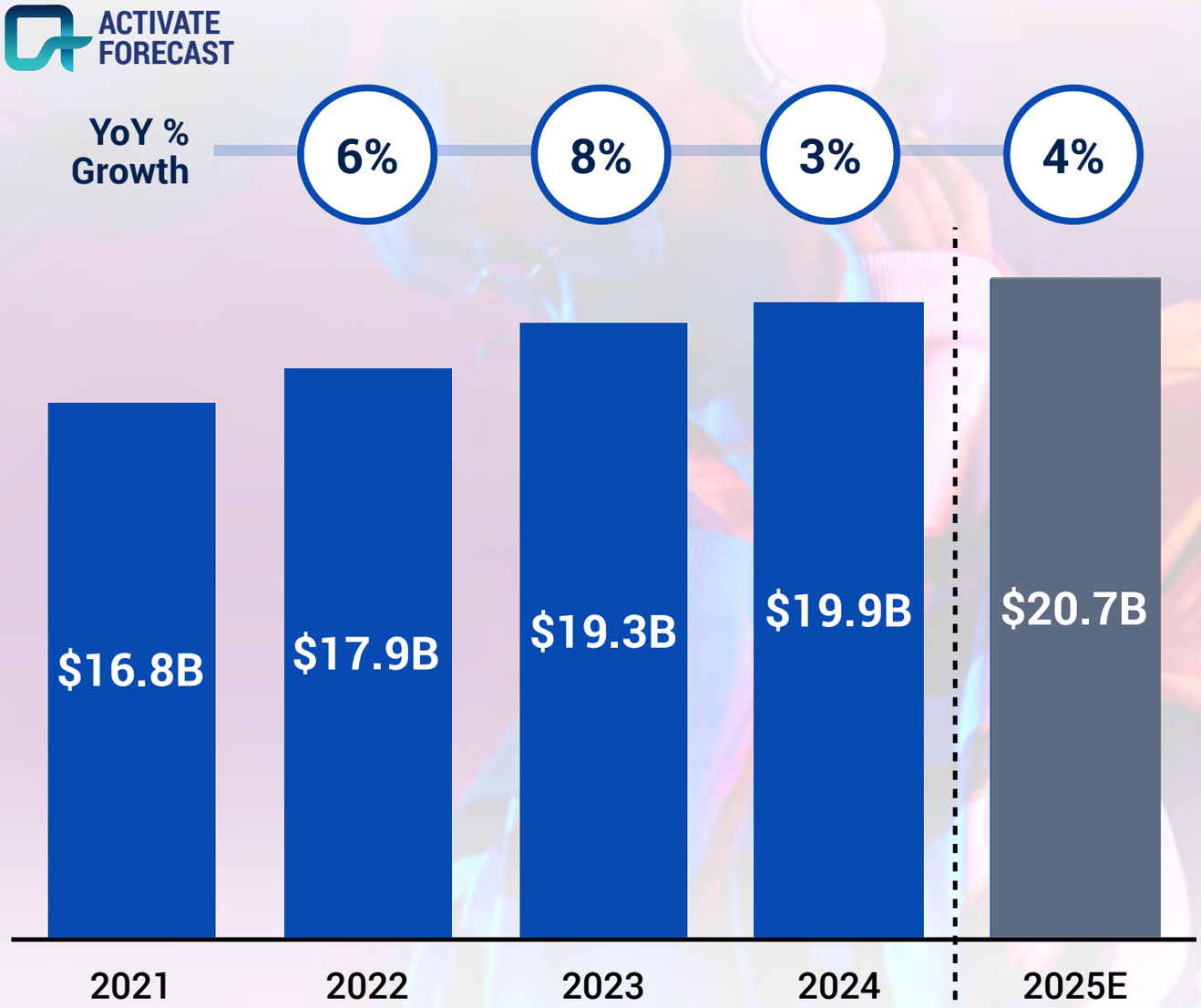
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THE NEXT WAVE OF AUDIO: GROWTH, CONVERGENCE, AND THE PLATFORMIZATION OF SOUND

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Recorded music revenues continue to grow steadily

RECORDED MUSIC REVENUES[1], U.S., 2021-2025E, BILLIONS USD



2024 TOP ARTISTS[2]



1. Includes revenue generated from paid digital downloads of any licensed recorded music, subscriptions and advertising on music streaming services, purchase of physical audio formats (e.g., vinyl), and performance rights and synchronization royalties. 2. Reflects Billboard's Top 10 Artists of 2024.
Sources: Activate analysis, Billboard, Goldman Sachs, IFPI, Omdia, PricewaterhouseCoopers, Recording Industry Association of America, SiriusXM, Statista

Audio is the most multitasked media and a critical part of consumers' daily technology and media attention

AUDIO CONSUMPTION BEHAVIORS FOR ADULTS AGED 18+, U.S., 2025E

Among the technology and media activities with the highest consumer time spend

The average adult spends

2:49

per day consuming audio[1]

Among the top technology and media activities

Audio time[1] accounts for

21%

of total technology and media consumption[2]

The most multitasked technology and media activity

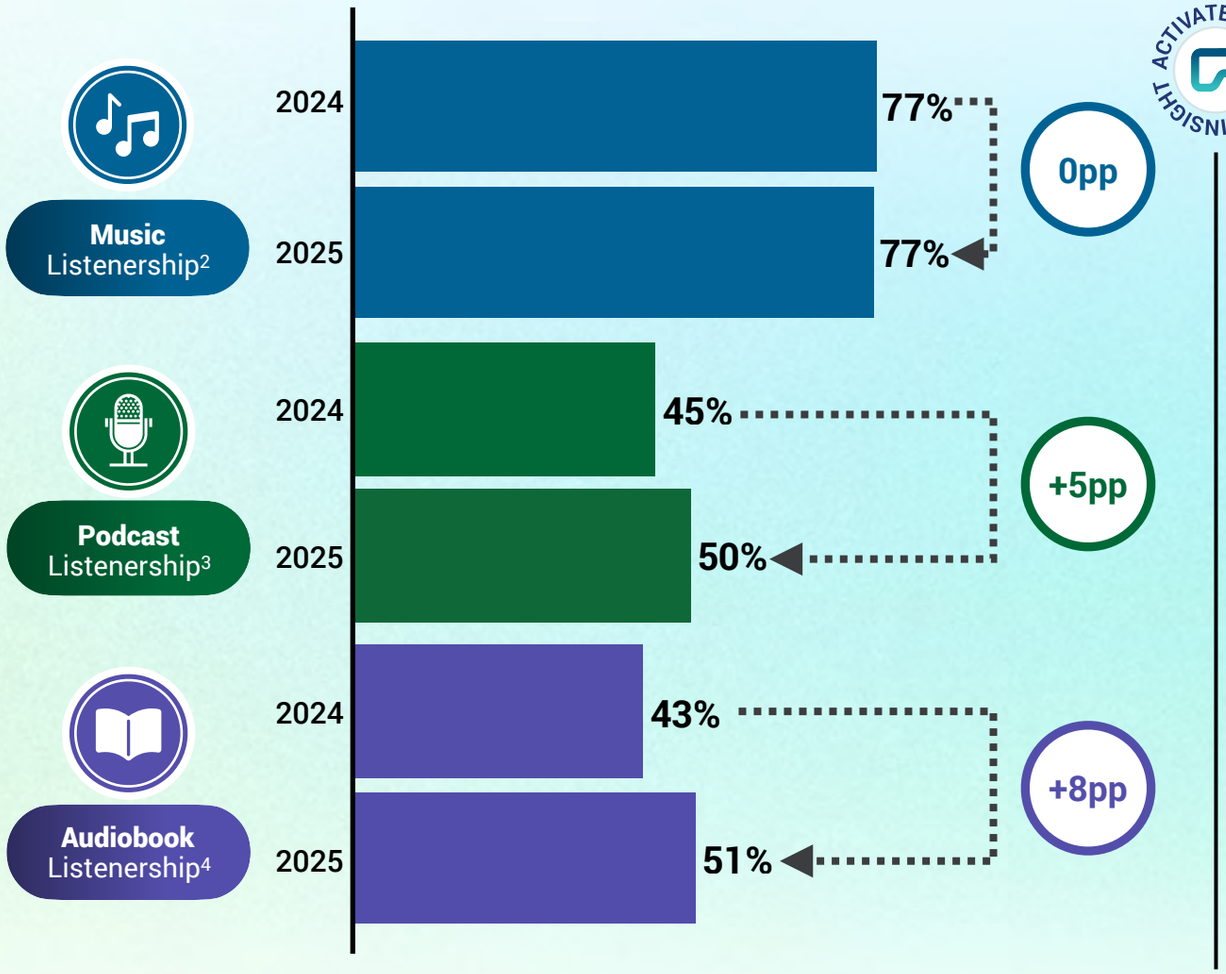
76%

of music/podcast listeners[3] multitask[4] all, almost all, or most of the time when listening

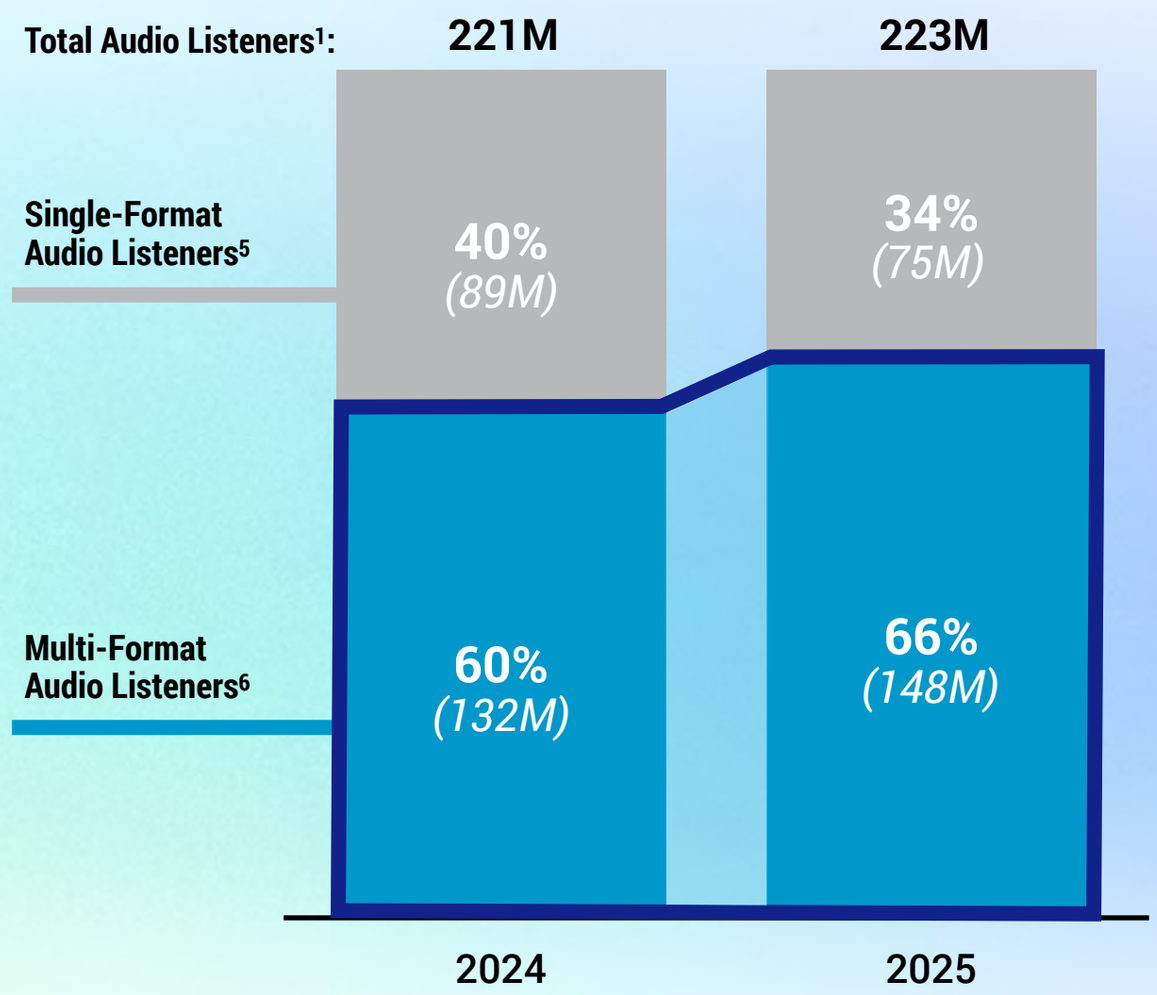
1. Includes audio streamed via mobile and desktop/laptop, podcast streaming, audiobooks, and radio. Excludes audio streamed on social media platforms (e.g., Snapchat, TikTok) and digital radio. 2. "Total technology and media consumption" includes time spent watching video, listening to audio, gaming, using social media and message apps, and time spent with other media, such as browsing websites, reading, and attending live events. 3. "Music/podcast listeners" are defined as adults aged 18+ who spend any time listening to music or podcasts. 4. "Multitasking" is defined as simultaneously doing another activity, such as working, cleaning, cooking, or exercising.
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026), data.ai, eMarketer, GWI, Music Biz, Nielsen

Most music listeners are also spending time with podcasts and audiobooks

AUDIO LISTENERSHIP BY FORMAT, U.S., 2024 VS. 2025, % ADULTS AGED 18+



TOTAL AUDIO LISTENERS[1] BY FORMAT, U.S., 2024 VS. 2025, % TOTAL AUDIO LISTENERS[1] / MILLIONS AUDIO LISTENERS[1]

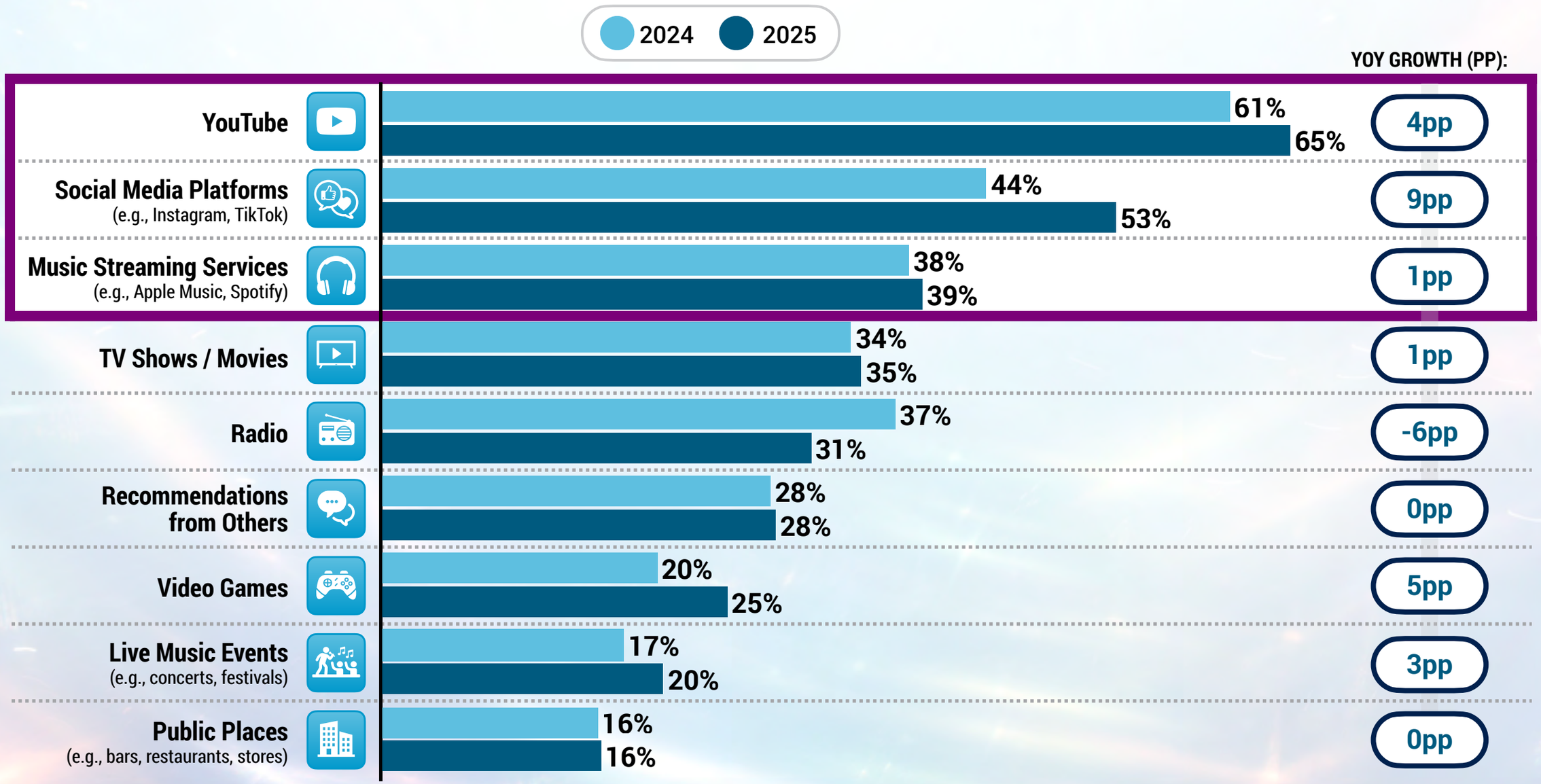


1. “Audio listeners” are defined as adults aged 18+ who currently listen to music, podcasts, or audiobooks. 2. “Music listeners” are defined as adults aged 18+ who spend any time listening to music. 3. “Podcast listeners” are defined as adults aged 18+ who spend any time listening to podcasts. 4. “Audiobook listeners” are defined as adults aged 18+ who currently listen to audiobooks. 5. “Single-format audio listeners” are defined as adults aged 18+ who only spend time listening to one of music, podcasts, or audiobooks. 6. “Multi-format audio listeners” are defined as adults aged 18+ who spend any time listening to at least two of music, podcasts, and audiobooks.
Sources: Activate analysis, Activate 2024 Consumer Technology & Media Research Study (n = 4,004), Activate 2025 Consumer Technology & Media Research Study (n = 4,026)

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YouTube, social media, and streaming services are the top sources of music discovery

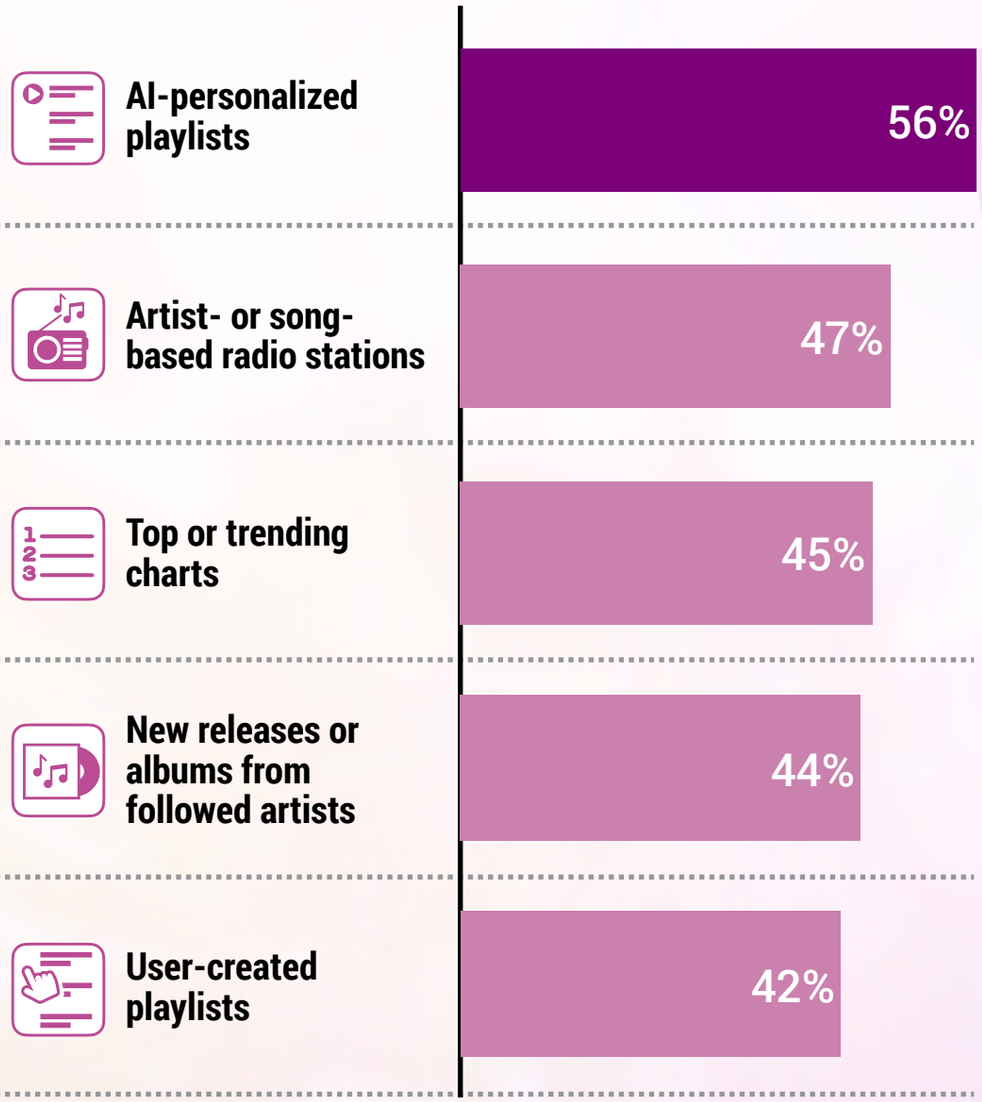
SOURCES OF MUSIC DISCOVERY[1] IN THE LAST 12 MONTHS, U.S., 2024 VS. 2025, % MUSIC LISTENERS[2]



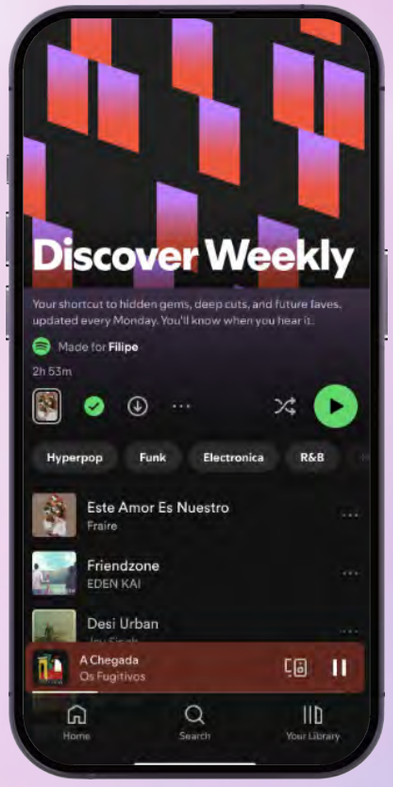
1. "Music discovery" is defined as discovering new music / music artists. 2. "Music listeners" are defined as adults aged 18+ who spend any time listening to music.
Sources: Activate analysis, Activate 2024 Consumer Technology & Media Research Study (n = 4,004), Activate 2025 Consumer Technology & Media Research Study (n = 4,026)

People will increasingly use AI to discover music on digital streaming services

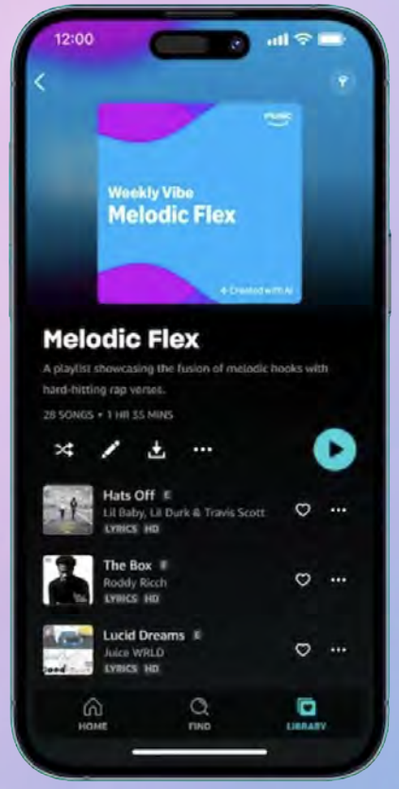
SOURCES OF MUSIC DISCOVERY[1] WITHIN MUSIC STREAMING SERVICES IN THE LAST 12 MONTHS,
U.S., 2025, % MUSIC LISTENERS[2] THAT DISCOVERED MUSIC[1] WITHIN MUSIC STREAMING SERVICES IN THE LAST 12 MONTHS



*In June 2025, **Spotify** revamped its AI-generated **Discover Weekly playlists**, allowing users to **further personalize the playlists** to discover new music in selected genres*



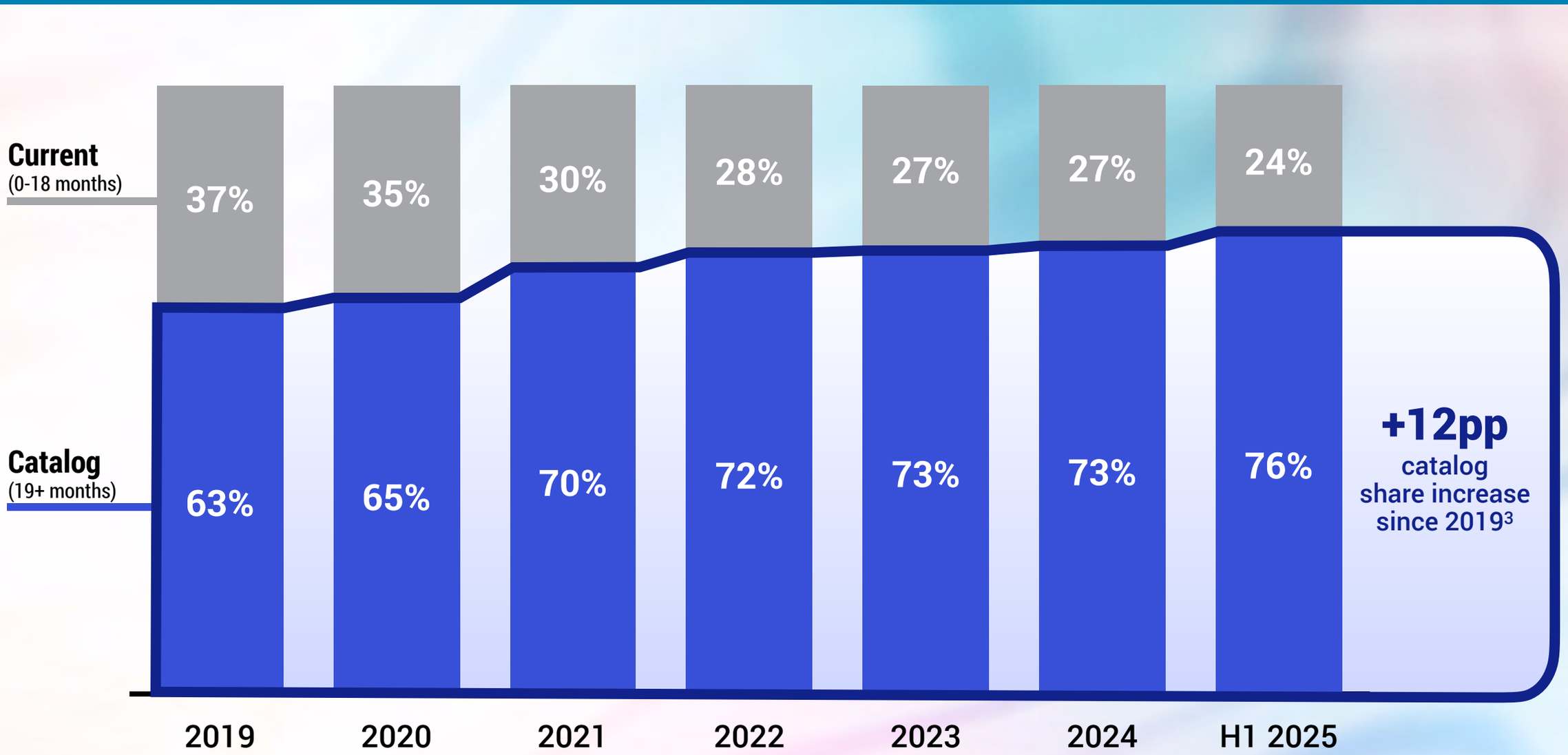
*In September 2025, **Amazon Music** released AI-generated **Weekly Vibe playlists**, creating playlists that **recommend new music based on users' personalized listening history***



1. "Music discovery" is defined as discovering new music / music artists. 2. "Music listeners" are defined as adults aged 18+ who spend any time listening to music.
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026)

Ease of music discovery is driving people to listen to more catalog music than ever before

CATALOG VS. CURRENT SHARE OF MUSIC CONSUMPTION[1], U.S., 2019-H1 2025[2], % TOTAL MUSIC CONSUMPTION[1]



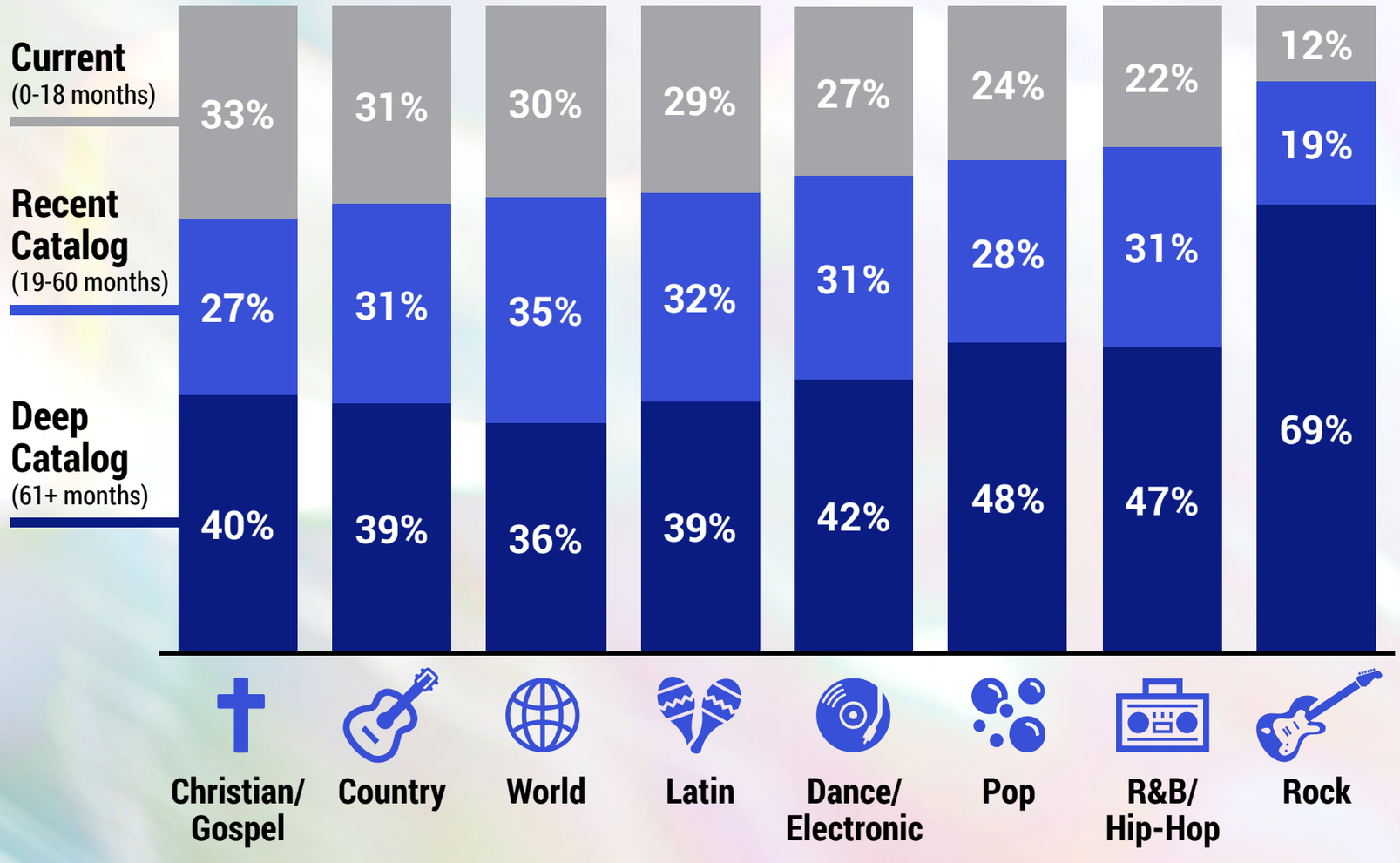
1. "Music consumption" is defined as total album-equivalent consumption, which includes physical album consumption, stream-equivalent albums (1,250 premium streams = one album, 3,750 ad-supported streams = one album), and track-equivalent albums (10 digital tracks = one album). 2. Represents share of consumption based on H1 2025.
3. Figures do not sum due to rounding.
Sources: Activate analysis, Luminate

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Luminate
ACTIVATE DATA PARTNER

Deep catalog tracks will drive music streams

CATALOG VS. CURRENT SHARE OF MUSIC CONSUMPTION[1] BY GENRE[2], U.S., H1 2025, % TOTAL MUSIC CONSUMPTION[1] BY GENRE



2025 Peak Positions of Select Deep Catalog Tracks on Daily Spotify Charts[3]



#15

Iris
Goo Goo Dolls
1998



#24

Sparks
Coldplay
2000



#29

Creep
Radiohead
1992



#34

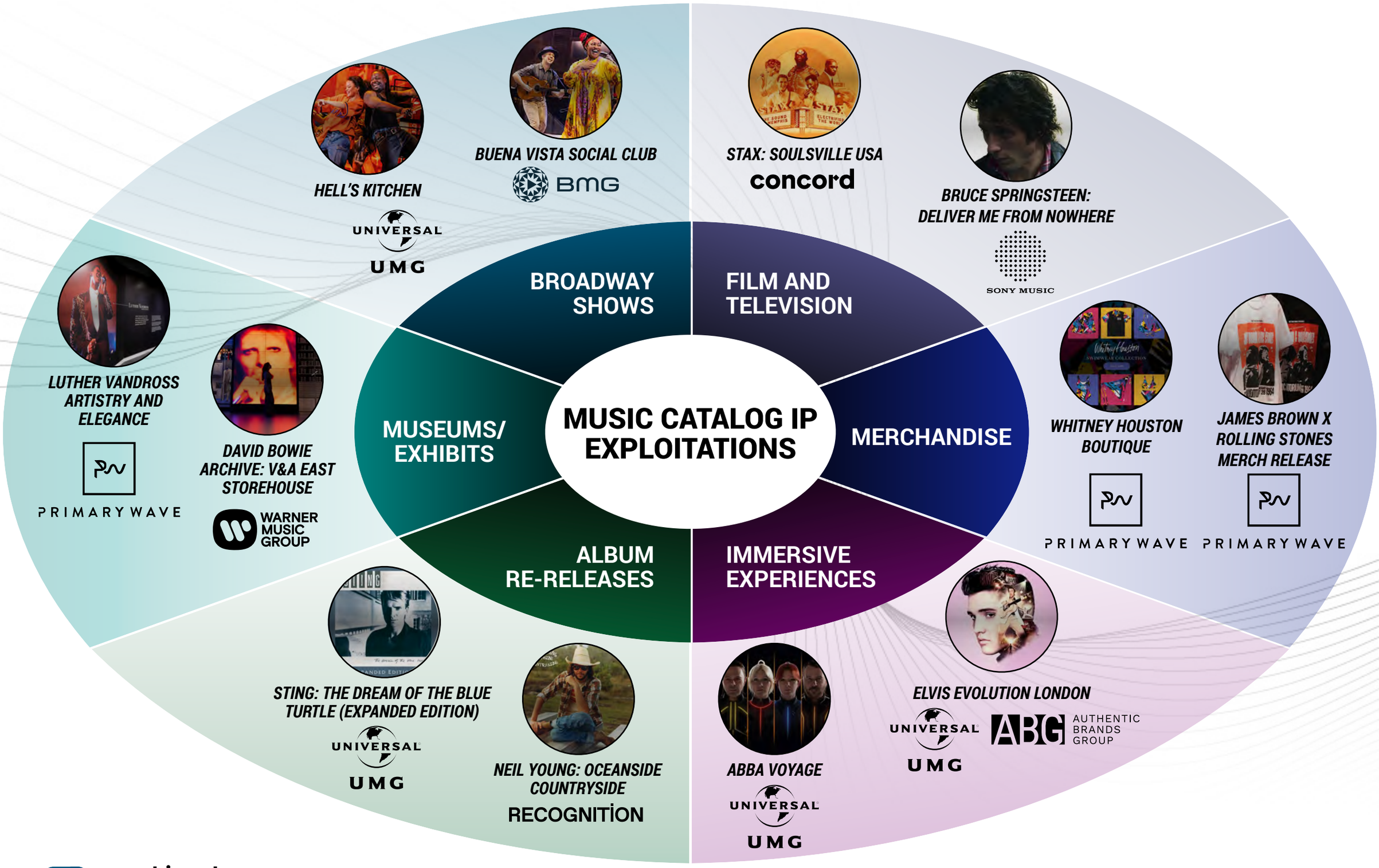
505
Arctic Monkeys
2007

1. "Music consumption" is defined as total album-equivalent consumption, which includes physical album consumption, stream-equivalent albums (1,250 premium streams = one album, 3,750 ad-supported streams = one album), and track-equivalent albums (10 digital tracks = one album). 2. Figures do not sum to 100% due to rounding. 3. As of Sept. 2025.
Sources: Activate analysis, Kworb, Luminate, Spotify

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Music IP owners/investors will expand exploitations to accelerate growth



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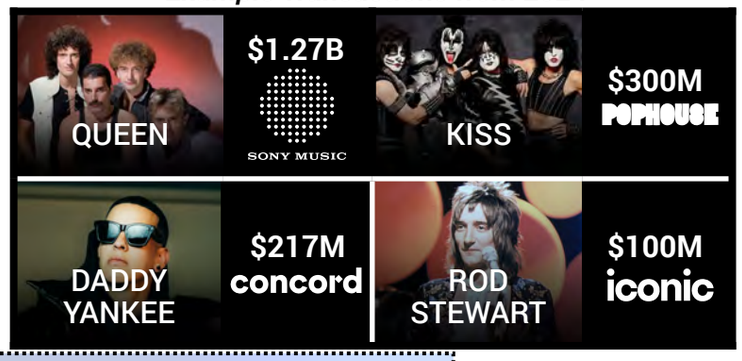
Note: Not exhaustive.
Sources: Activate analysis, Billboard, Deadline, Music Business Worldwide, Music Week, Variety

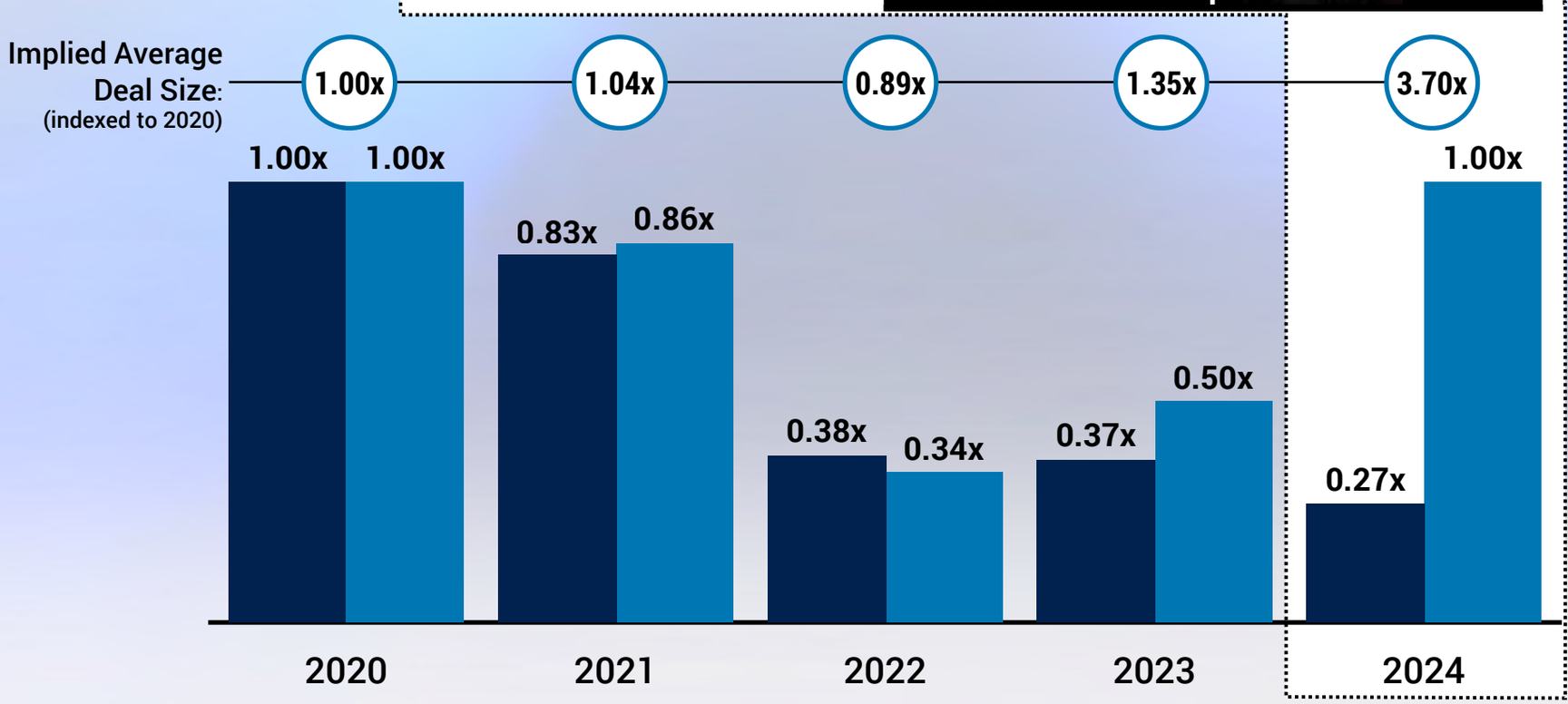
We expect to see continued investment in music IP

TOTAL TRANSACTED DEAL VALUE AND TRANSACTIONS, GLOBAL, 2020-2024, INDEXED TO 2020

Average catalog deal size has increased in recent years: while there were fewer deals in 2024, their total value was the highest since 2020

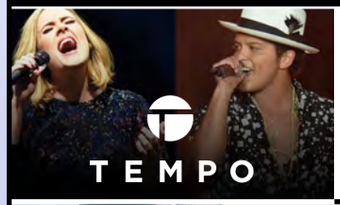
Example Transactions from 2024





2025 CLOSED AND EXPECTED TRANSACTIONS

NOTE: NOT EXHAUSTIVE



$450M — WARNER MUSIC GROUP



$250M — BMG



$120M — HARBOURVIEW



$40M-$60M — RESERVOIR



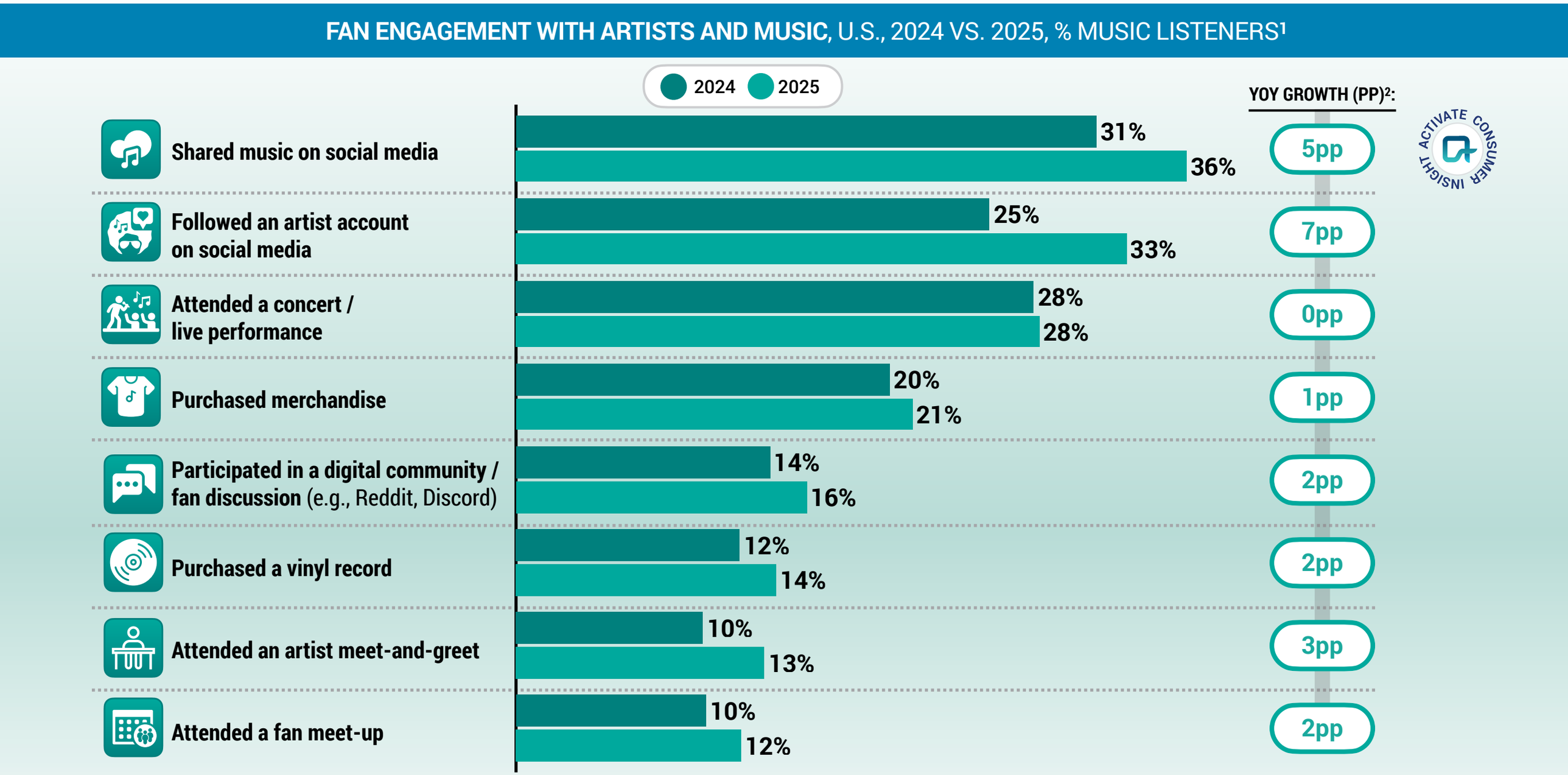
$55M — CREATE MUSIC GROUP

1. BMG's acquisition of Jason Aldean's catalog included additional interests in rights to a total of 23 artists and songwriters. 2. As of Aug. 2025, Slipknot was reportedly nearing an agreement with HarbourView Equity Partners.
Sources: Activate analysis, Company sites, Billboard, Music Business Worldwide, Shot Tower Capital

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SHOT TOWER CAPITAL — ACTIVATE DATA PARTNER

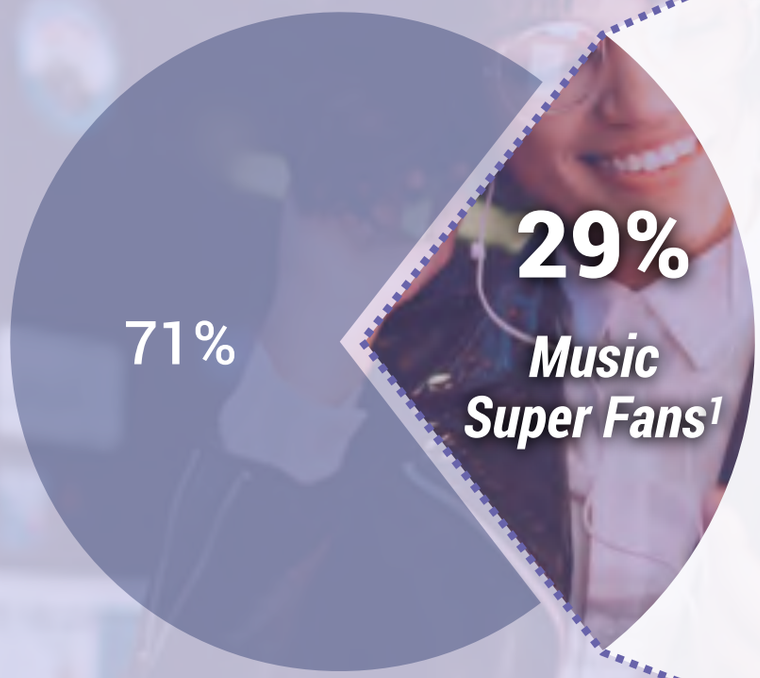
Music fans are increasingly engaging with their favorite artists through a wide range of activities



1. "Music listeners" are defined as adults aged 18+ who spend any time listening to music. 2. Figures do not sum due to rounding.
Sources: Activate analysis, Activate 2024 Consumer Technology & Media Research Study (n = 4,004), Activate 2025 Consumer Technology & Media Research Study (n = 4,026)

Super Fans will drive adoption of premium music features and experiences

MUSIC SUPER FAN[1] SHARE OF MUSIC LISTENERS[2], U.S., 2025, % MUSIC LISTENERS[2]



Music listeners[2] who participated in 3+ fan engagement activities in the last 12 months
(e.g., attending a concert / live performance, purchasing artist merchandise, attending an artist meet-and-great)

INTEREST[3] IN PREMIUM MUSIC FEATURES, U.S., 2025, MUSIC SUPER FANS[1] INDEXED TO ALL OTHER MUSIC LISTENERS[2]

Music Super Fans[1] over-index on interest[3] in premium music features/experiences on a streaming service



as likely to be interested in exclusive music releases (i.e., songs or albums not available elsewhere)

as likely to be interested in early access to concert tickets

as likely to be interested in access to exclusive or limited-edition merchandise

1. "Music Super Fans" are defined as music listeners who participated in at least 3 fan engagement activities in the last 12 months.
2. "Music listeners" are defined as adults aged 18+ who spend any time listening to music. 3. Includes respondents who indicated they are extremely or very interested.
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026)

Platforms have launched to facilitate artist engagement with Super Fans

SELECT MUSIC PLATFORMS DRIVING SUPER FAN ENGAGEMENT









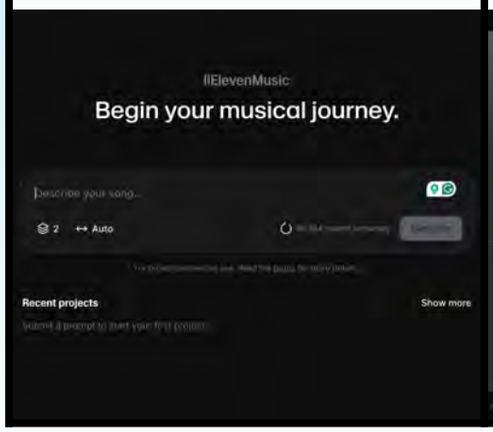
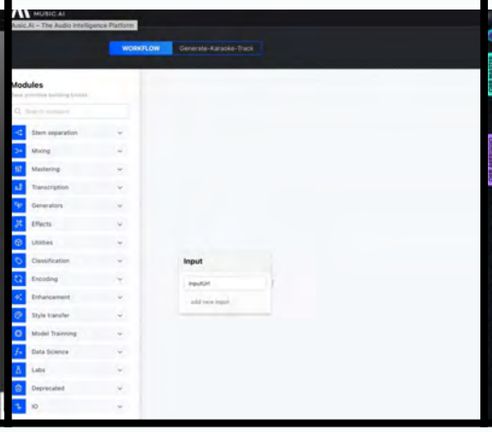
Launch Date	**JUNE 2019**	**APR. 2024**	**JUNE 2025**	**PRE-LAUNCH TESTING APR. 2025**
Description	Weverse, a global platform with a strong K-pop presence, allows fans to engage with each other and their favorite artists through community posts, livestreams, and interactive features	EVEN enables fans to "buy the art from the artist," offering direct purchases of exclusive tracks, early access to new albums, and behind-the-scenes content	OpenWav empowers independent artists to monetize fan engagement directly through music sales, ticketed pop-up events, merchandise, and exclusive content subscriptions	Warner Music Group is developing an app to connect fans with their favorite artists through exclusive content, direct artist feeds, and premium experiences
Investors/ Ownership	HYBE (Majority Shareholder) NAVER (Minority Shareholder) UNIVERSAL MUSIC GROUP (Additional Investor)	CSA PARTNERS (Lead Investor) gener8tor Angel investors including Adie Akuffo-Afful, Daniel Rotman, and Ogo	AAF Management Ltd., Alumni Ventures, animoca BRANDS, BLIZZARD, BLUERUN VENTURES, BREVAN HOWARD, CONNECT VENTURES, DRAGONFLY, DREAMERS VC, 500, galaxy, Golden Gate Ventures, Goodwater, Republic, Sfermion, SOMA CAPITAL, SparkLabs Global Ventures, Superscrypt, WARNER MUSIC GROUP	WARNER MUSIC GROUP

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Sources: Activate analysis, Company press releases, Music Business Worldwide, TechCrunch

Investors are betting on the potential of AI tools for people to create music

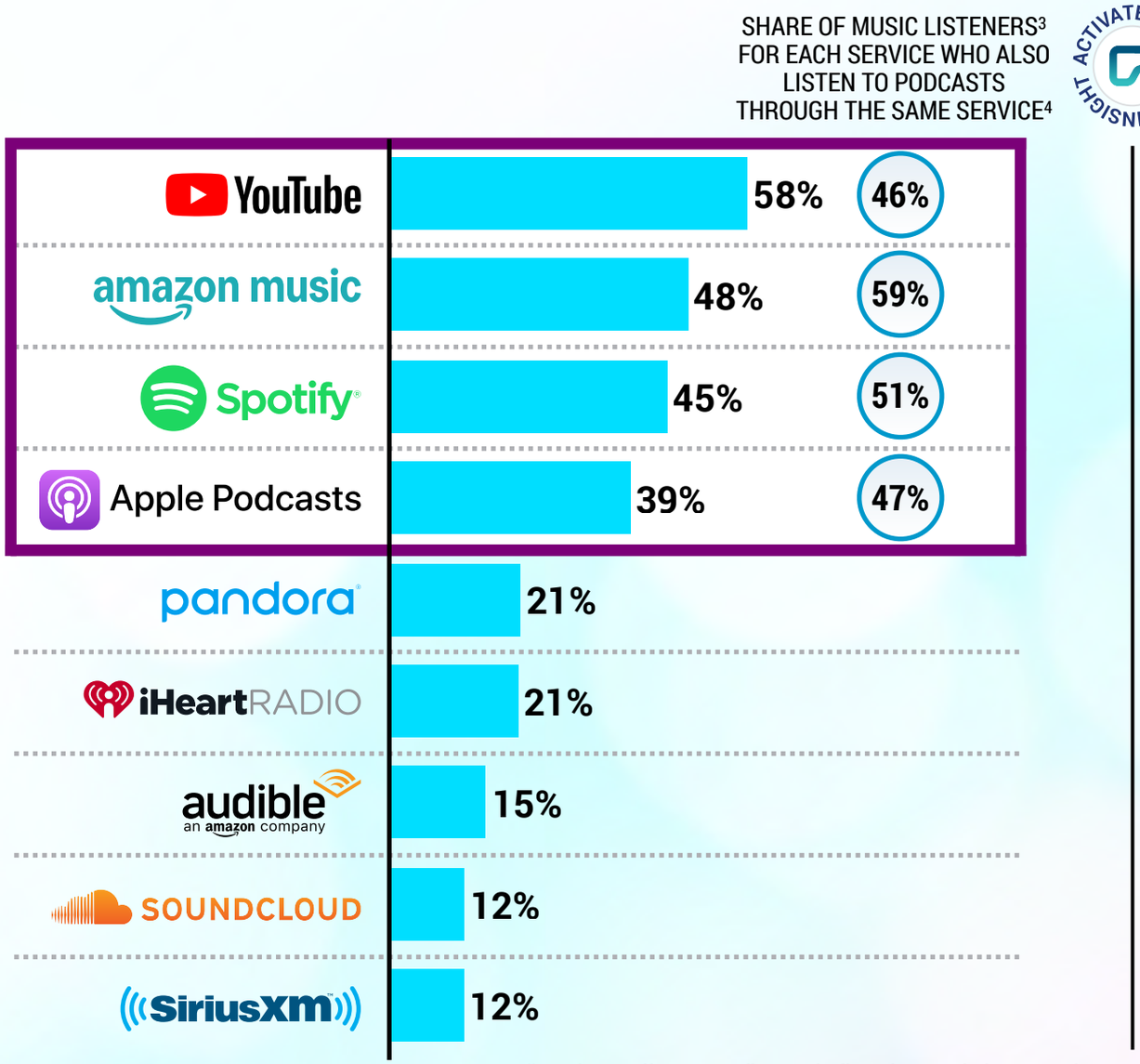
MAJOR INVESTMENTS AND ACQUISITIONS OF AI-SUPPORTED DIGITAL MUSIC CREATOR TOOLS IN 2025

ICONIQ ANDREESSEN HOROWITZ	splice	CONNECT VENTURES MONASHEES	LANDR	SUNO
$180M investment[1] in **IIElevenLabs**	**$50M acquisition of** **SPITFIRE AUDIO**	**$40M investment[2] in** **MUSIC.AI**	**Acquisition[3] of** **orb PLUGINS**	**Acquisition[3] of** **wavtool**
Prompt-Based Voice and Beat Generation	Virtual Instrument Library	AI-Enabled Production and Distribution	Instrument Plug-ins	Digital Audio Workstation
				

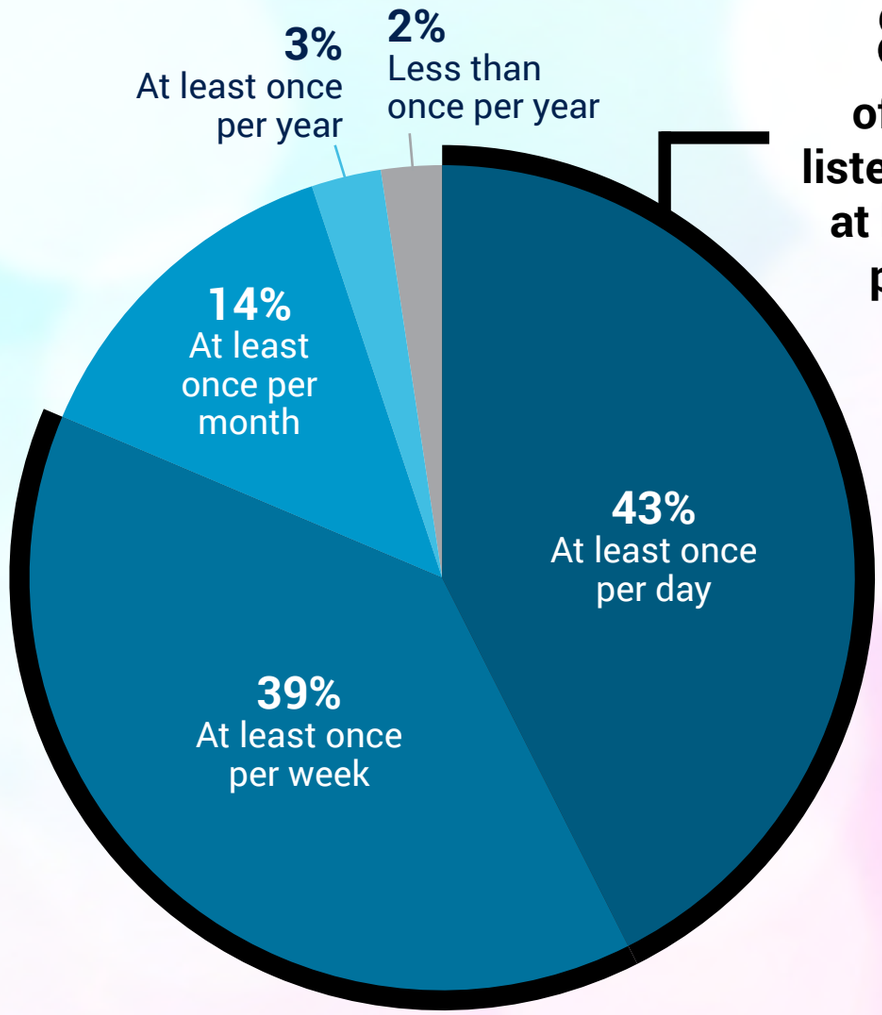
1. ICONIQ Growth and Andreessen Horowitz (a16z) co-led the $180M investment round also including Endeavor Catalyst Fund, Lunate, NEA, Valor, and World Innovation Lab. 2. Connect Ventures and Monashees co-led the $40M investment round also including Kickstart, Mindset Ventures, Pelion, Samsung Next, Toba Capital, and Valutia. 3. Acquisition value undisclosed.
Sources: Activate analysis, Billboard, Company press releases, Company sites, Music Business Worldwide, TechCrunch

Podcasts will continue to be critical for music streaming services to drive engagement

USAGE OF PODCAST SERVICES,
U.S., 2025, % PODCAST LISTENERS[1]



PODCAST LISTENING FREQUENCY[2],
U.S., 2025, % PODCAST LISTENERS[1]



81%
of podcast listeners[1] listen at least once per week

1. "Podcast listeners" are defined as adults aged 18+ who spend any time listening to podcasts. 2. Figures do not sum to 100% due to rounding. 3. "Music listeners" are defined as adults aged 18+ who spend any time listening to music. 4. Reflects share of monthly users of the music services that listen to podcasts on the corresponding service.
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026), Variety

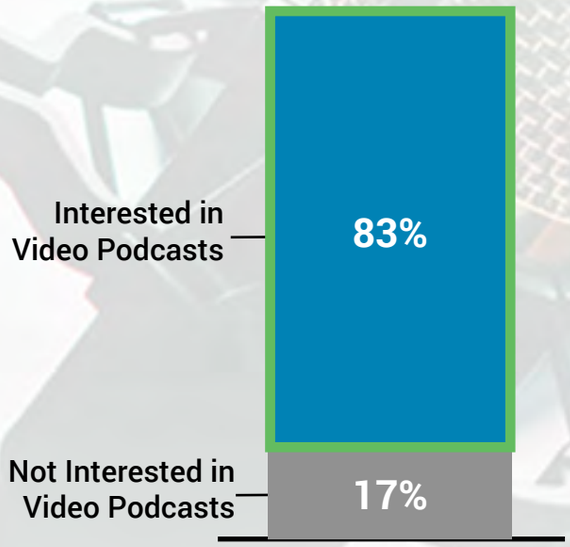
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Podcasts are now video: people will expect to watch podcasts, not just listen to them

INTEREST IN VIDEO PODCASTS, U.S., 2025, % PODCAST LISTENERS[1]

80%+

of podcast listeners are interested[2] in video podcasts



Video podcast distribution will increase due to high interest:
Spotify is forming partnerships with video streaming platforms to increase distribution of its video podcasts

NETFLIX Samsung TV Plus

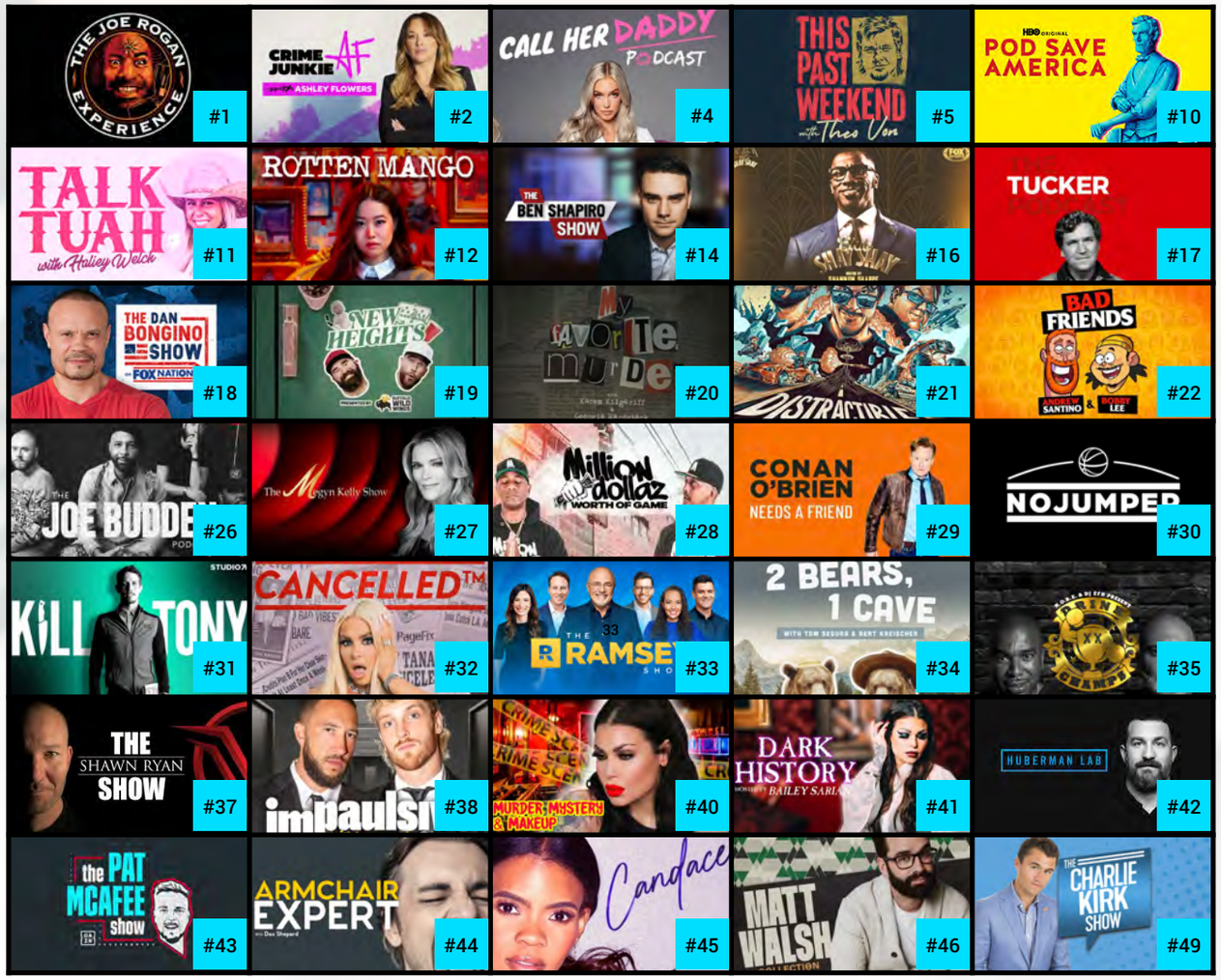
SHARE OF TOP 50 PODCASTS[3] WITH A VIDEO COMPONENT, U.S., Q4 2024, % TOP 50 PODCASTS[3]

70%

OF TOP 50 PODCASTS[3] HAVE A VIDEO COMPONENT



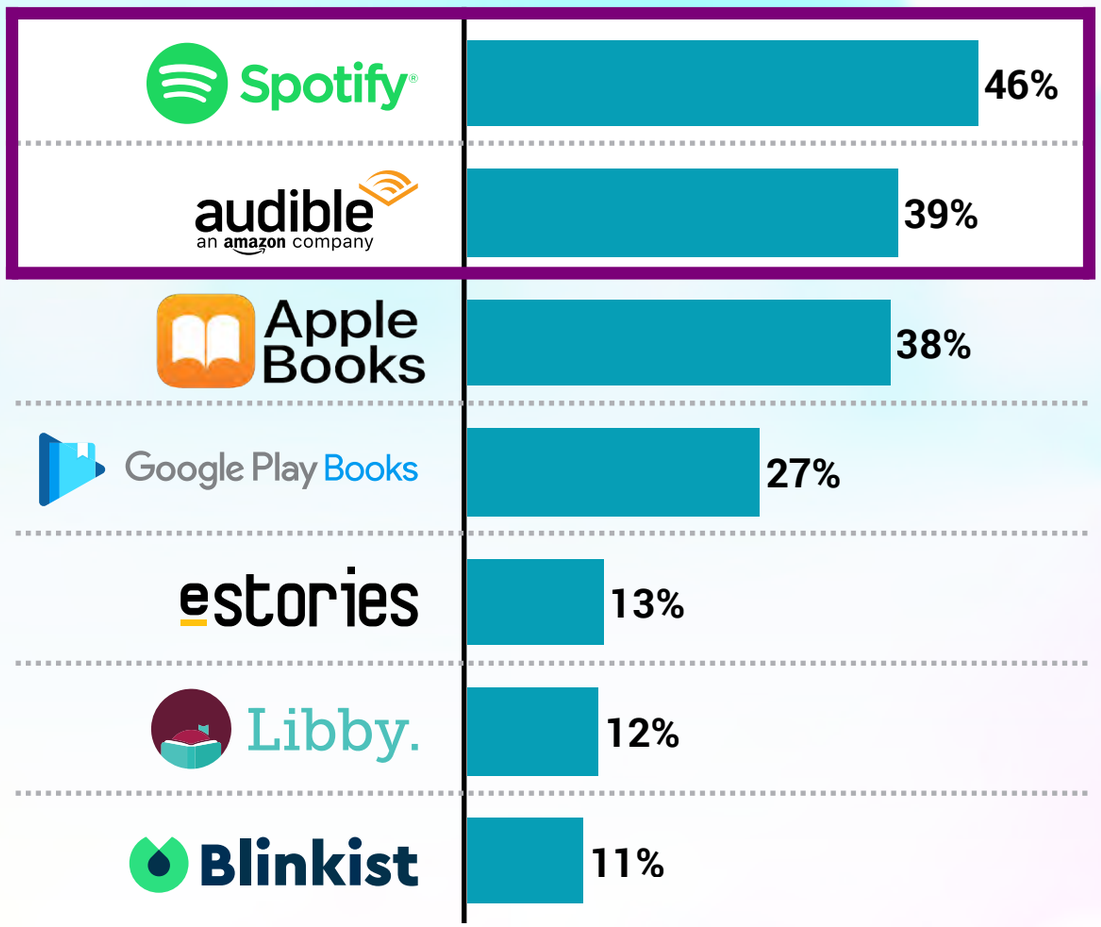
Top Podcasts with a Video Component



1. "Podcast listeners" are defined as adults aged 18+ who spend any time listening to podcasts. 2. Includes respondents who indicated they are extremely, very, somewhat, or slightly interested in video podcasts. 3. Top 50 podcasts in the U.S. based on weekly podcast listeners aged 13+ across platforms in Q4 2024.
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026), Edison Research

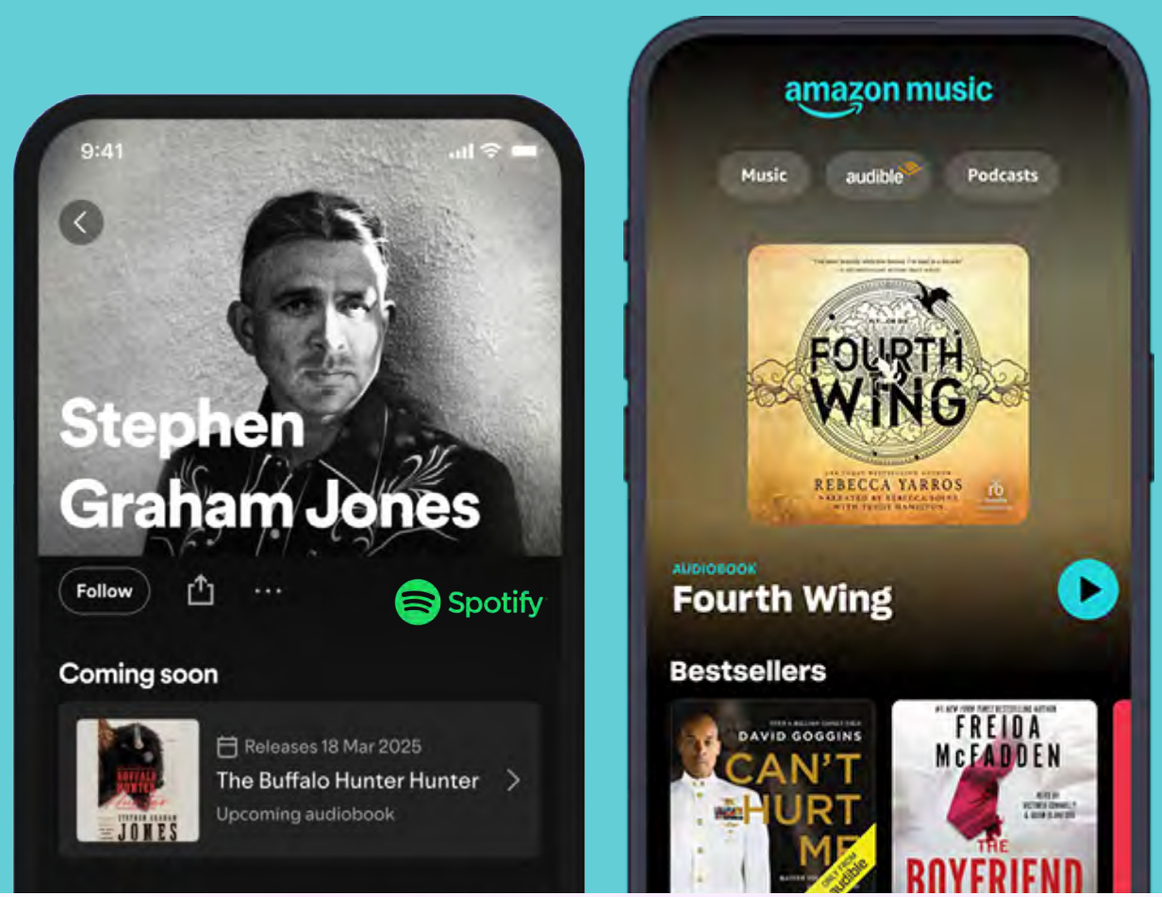
People are accessing audiobooks largely through integrated audio streaming services

USAGE OF AUDIOBOOK SERVICES, U.S., 2025, % AUDIOBOOK LISTENERS[1]



SELECT EXAMPLES OF AUDIOBOOK INTEGRATIONS WITHIN MAJOR MUSIC STREAMING SERVICES

Spotify and Amazon are driving audiobook engagement by bundling them into their music subscriptions[2], accelerating the growth of audiobook listening as a mainstream activity



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1. "Audiobook listeners" are defined as adults aged 18+ who currently listen to audiobooks. 2. Spotify Premium subscribers receive free access to 15 hours of listening from Spotify's audiobook catalog each month. Amazon Music Unlimited subscribers receive free access to one audiobook from Audible each month.
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026), Company press releases



CREATED FOR ACTIVATE BY ASW

TOGETHER, IN REAL LIFE: THE LIVE EXPERIENCE ECONOMY

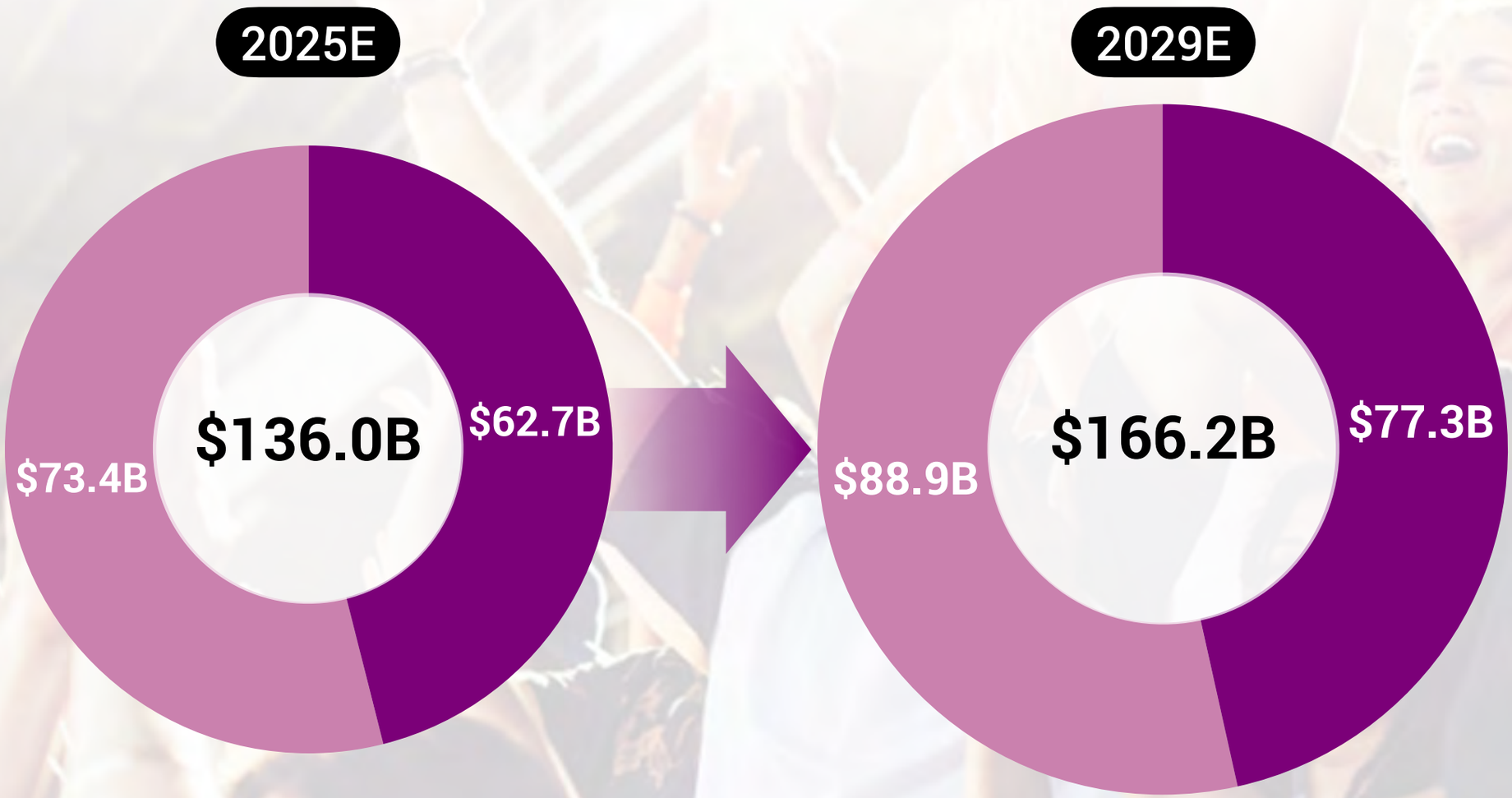
We forecast that global visitor/audience spend on live events and experiences will grow to $166B by 2029

CONSUMER SPEND ON ADMISSION TO LIVE EVENTS AND EXPERIENCES[1] BY REGION[2], U.S. VS. REST OF WORLD, 2025E VS. 2029E, BILLIONS USD

ACTIVATE FORECAST

U.S.

Rest of World



TOTAL
2025E-2029E CAGR:
5.1%

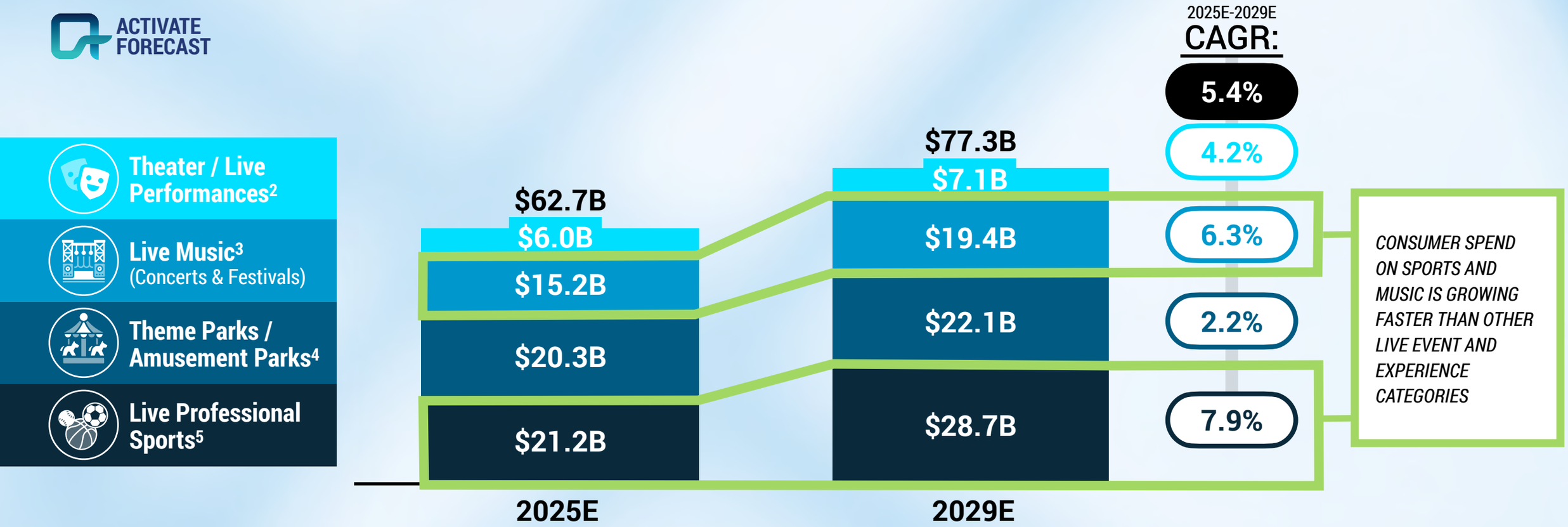
U.S.
2025E-2029E CAGR:
5.4%

ROW
2025E-2029E CAGR:
4.9%

1. "Live events and experiences" consist of live music events (i.e., concerts and festivals), theme parks and amusement parks, live professional sports events, and live professional theater shows, musicals, operas, dance shows, and comedy shows. Excludes ancillary spend at the venue (e.g., food and beverage, parking, merchandise) and on transit to and from the venue. 2. Figures do not sum due to rounding.
Sources: Activate analysis, AECOM and Themed Entertainment Association, The Broadway League, Company filings, Company press releases, Company sites, ESPN, IBISWorld, Omdia, Pollstar, PricewaterhouseCoopers, Statista, U.S. Bureau of Labor Statistics

Sports and music will drive U.S. spend on live events and experiences

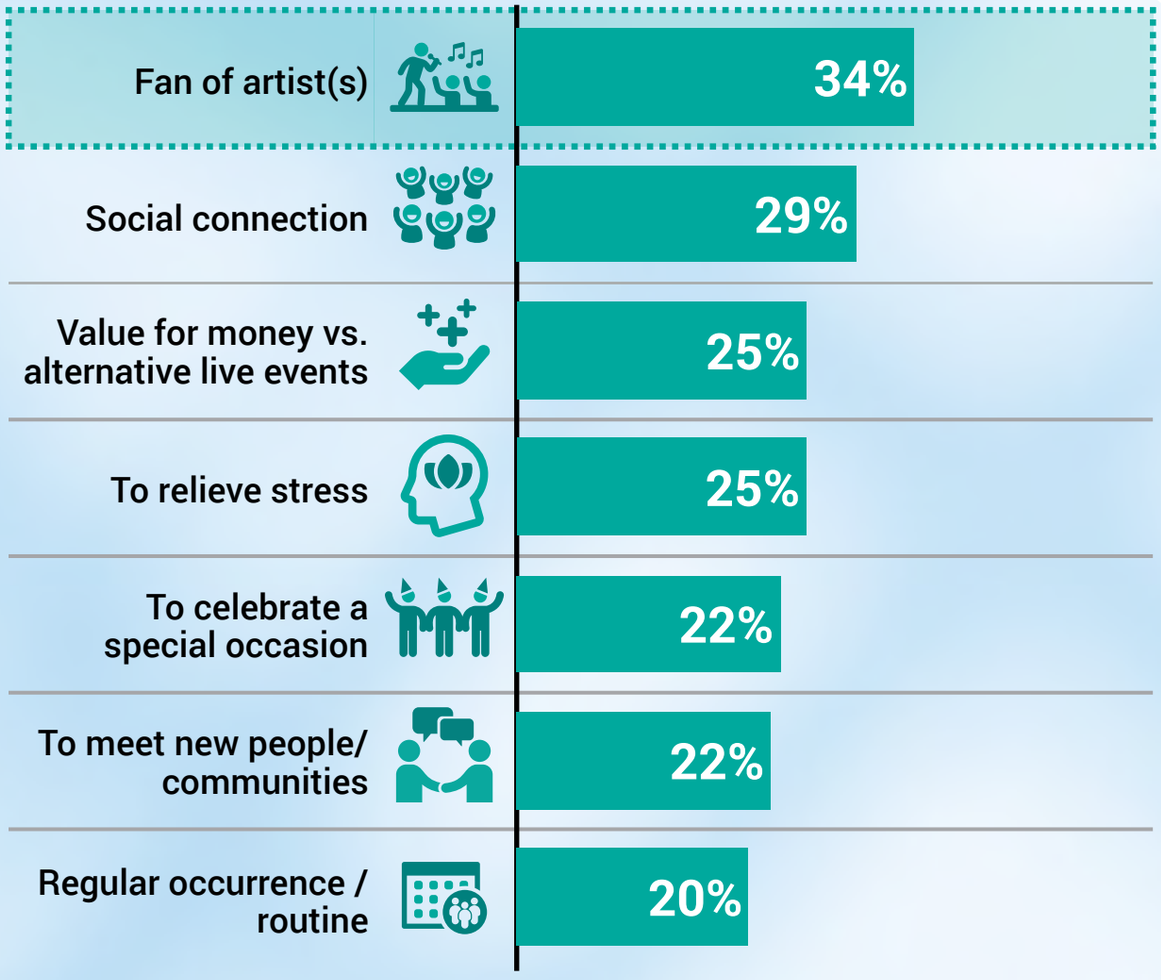
CONSUMER SPEND ON ADMISSION TO LIVE EVENTS AND EXPERIENCES[1] BY CATEGORY, U.S., 2025E VS. 2029E, BILLIONS USD



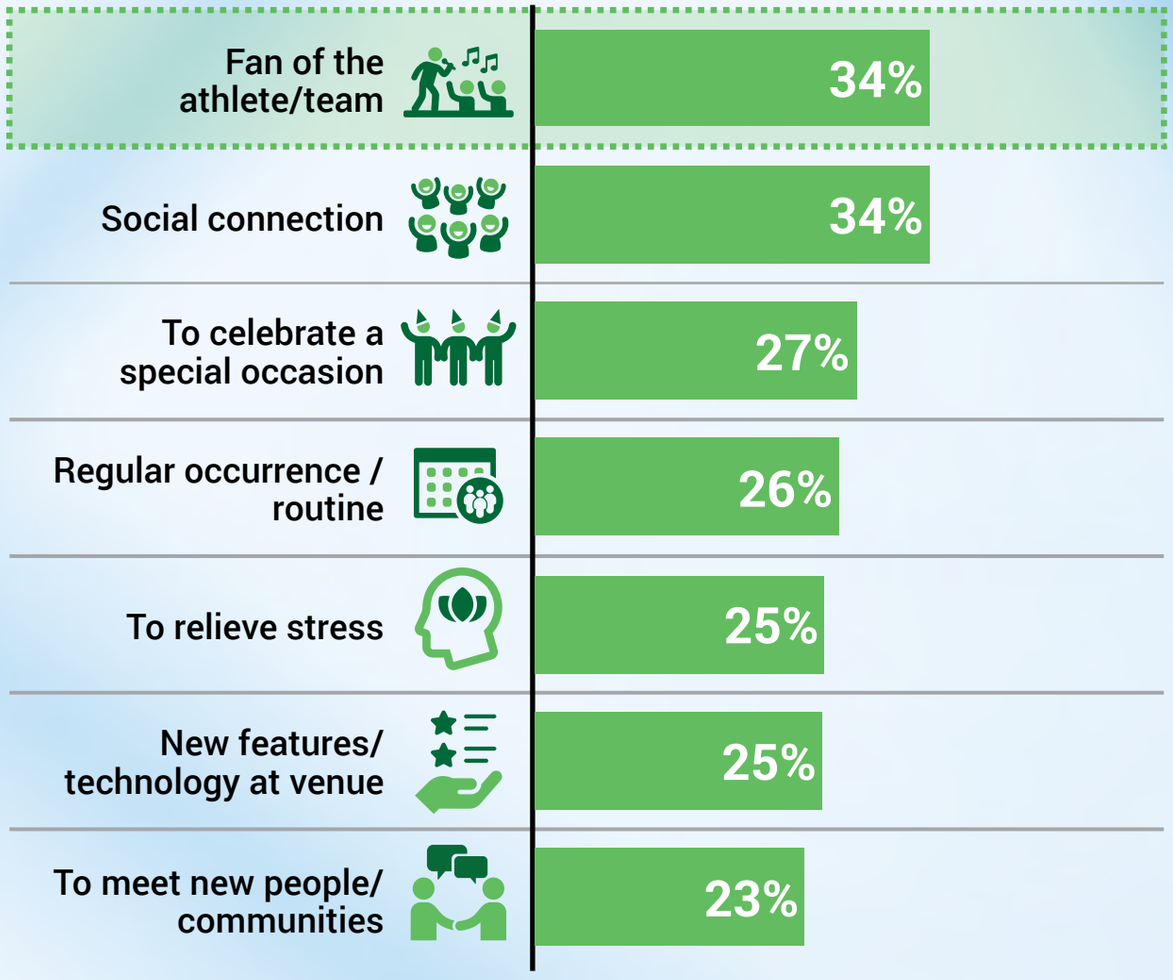
1. "Live events and experiences" consist of live music events (i.e., concerts and festivals), theme parks and amusement parks, live professional sports events, and live professional theater shows, musicals, operas, dance shows, and comedy shows. Excludes ancillary spend at the venue (e.g., food and beverage, parking, merchandise) and on transit to and from the venue. 2. "Theater / live performances" revenue is defined as the gross value of online and offline ticket sales for live professional theater shows, musicals, operas, dance shows, and comedy shows purchased by consumers. 3. "Live music" revenue is defined as the gross value of online and offline ticket sales for live professional music events purchased by consumers. 4. "Theme parks / amusement parks" revenue is defined as the gross value of online and offline gate (admission) fees paid for entry to theme parks / amusement parks by consumers. Theme parks / amusement parks operate mechanical rides, water rides, game shows, themed exhibits, and other attractions. 5. "Live professional sports" revenue is defined as the gross value of online and offline ticket sales for live professional sporting events purchased by consumers.
Sources: Activate analysis, AECOM and Themed Entertainment Association, The Broadway League, Company filings, Company press releases, Company sites, ESPN, IBISWorld, Omdia, Pollstar, PricewaterhouseCoopers, Statista, U.S. Bureau of Labor Statistics

The reasons for attending live music and sporting events are driven by fandom and are not substitutable by other means of entertainment

TOP REASONS[1] FOR ATTENDING A LIVE MUSIC EVENT IN THE LAST 12 MONTHS, U.S., 2025, % LIVE MUSIC EVENT ATTENDEES[2]



TOP REASONS[1] FOR ATTENDING A LIVE PROFESSIONAL SPORTING EVENT IN THE LAST 12 MONTHS, U.S., 2025, % LIVE PROFESSIONAL SPORTING EVENT ATTENDEES[3]



1. Respondents were asked to select up to three top reasons. 2. "Live music event attendees" are defined as adults aged 18+ who attended at least one music festival or concert in the last 12 months. 3. "Live professional sporting event attendees" are defined as adults aged 18+ who attended at least one live professional sporting event in the last 12 months.
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026)

Local events are very popular with high attendance

LOCAL EVENT ATTENDANCE[1], U.S., 2025, % ADULTS AGED 18+

60%

attended a local event

LOCAL EVENT ATTENDANCE[1] BY EVENT TYPE, U.S., 2025, % LOCAL EVENT ATTENDEES[1]

Local events include the following:

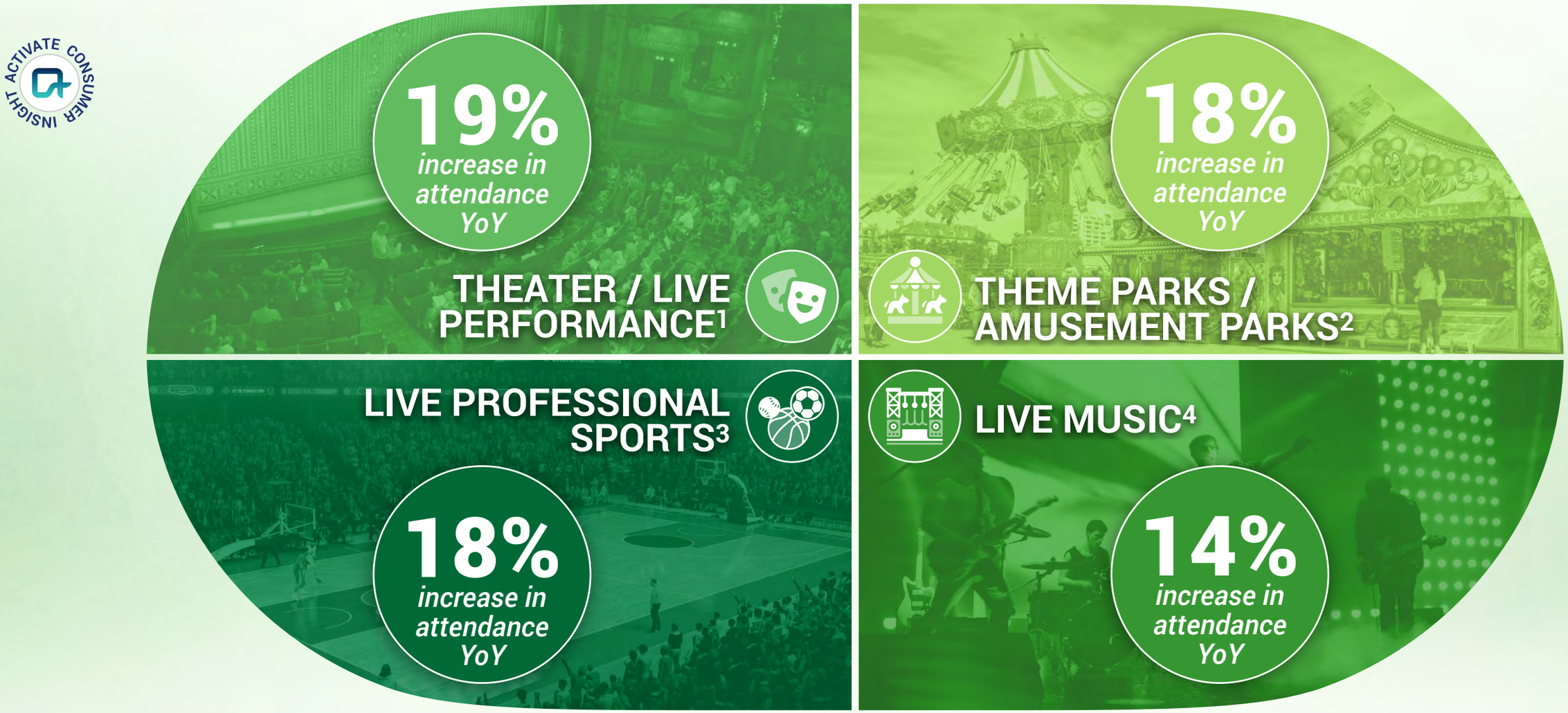
Food festivals (e.g., Taste of Chicago, Maine Lobster Festival)	45%
Community or cultural festivals (e.g., neighborhood block party, Lunar New Year)	38%
Museum/gallery events (e.g., gallery/exhibition openings, artist talks)	33%
Amateur sporting events (e.g., high school sports, community leagues)	28%
Workshops/classes	23%
Lecture series (e.g., university-hosted talks, TEDx events)	22%
Book clubs	16%



1. "Local event attendees" are defined as adults aged 18+ who attended at least one local event in the last 12 months.
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026)

Attendance at all forms of live events is increasing

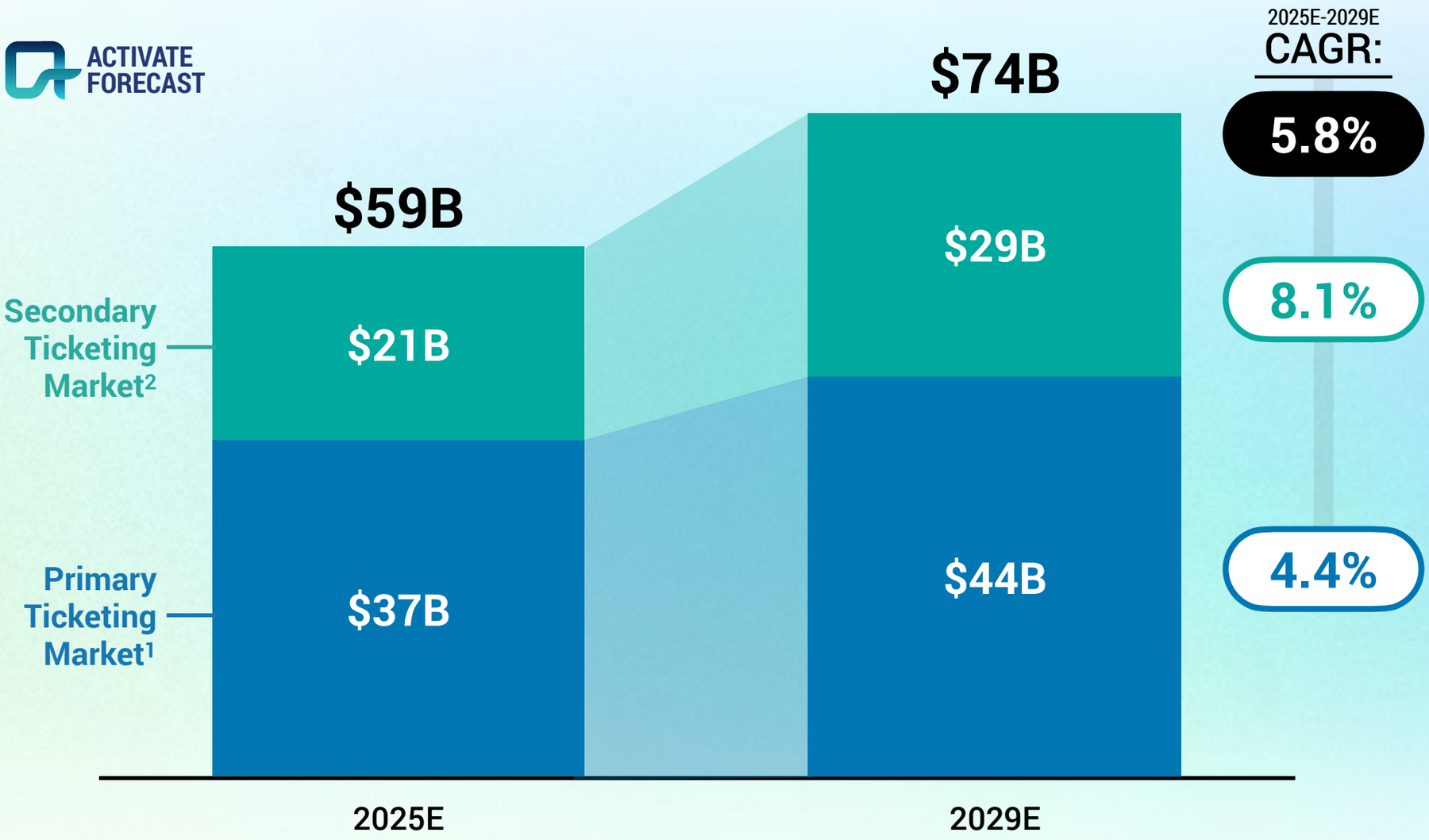
INCREASE IN LIVE EVENT ATTENDANCE BY CATEGORY, U.S., 2024 VS. 2025, % CHANGE IN ATTENDANCE



1. “Theater / live performance“ attendance is defined as adults aged 18+ who attended at least one theater performance in the last 12 months. 2. “Theme park / amusement park” attendance is defined as adults aged 18+ who visited a theme park / amusement park in the last 12 months. 3. “Live professional sports” attendance is defined as adults aged 18+ who attended at least one live professional sporting event in the last 12 months. 4. “Live music“ attendance is defined as adults aged 18+ who attended at least one music festival or concert in the last 12 months.
Sources: Activate analysis, Activate 2024 Consumer Technology & Media Research Study (n = 4,004), Activate 2025 Consumer Technology & Media Research Study (n = 4,026), U.S. Census Bureau

We forecast that the U.S. live events ticket market will grow to $74B by 2029

TOTAL PRIMARY[1] AND SECONDARY[2] LIVE EVENTS GROSS TICKET VALUE[3], U.S., 2025E VS. 2029E, BILLIONS USD



EXAMPLE TICKETING PLATFORMS

axs · DICE · eventbrite · GAMETIME · SEAT GEEK · StubHub · ticketmaster · TickPick · todaytix · vividseats

1. "Primary ticketing market" is defined as the initial point of sale where rights holders sell tickets to consumers at face value, typically through a contracted ticketing platform. 2. "Secondary ticketing market" is defined as the resale of tickets, where prices (set by the seller) can be above, below, or at their original face value. Tickets can be sold on the secondary market by resellers (who originally obtained the tickets from the primary market) or by rights holders / venues, typically through a ticketing inventory management platform. 3. Figures do not sum due to rounding.
Sources: Activate analysis, Company filings, data.ai, Evercore, Goldman Sachs, Guggenheim, Oppenheimer, Piper Sandler

Social media is a critical avenue for consumers to discover live events and engage with their favorite artists

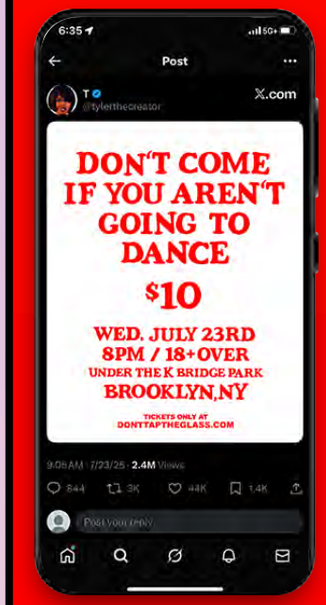
USAGE OF SOCIAL MEDIA FOR LIVE EVENT DISCOVERY[1], U.S., 2025, % LIVE EVENT ATTENDEES[2]

61%

of live event attendees[2] used social media to discover live events[1]

Artists are leveraging their social media followings to publicize promotional live events

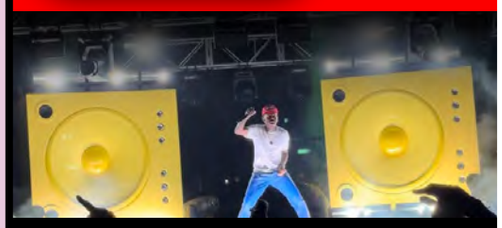
TYLER, THE CREATOR



Estimated Attendees: **10,000**

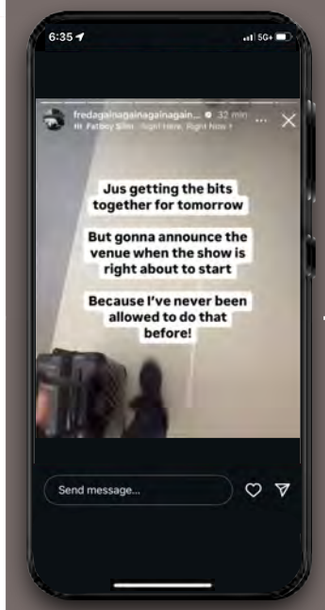
Under the K Bridge, Brooklyn

July 2025



Promotion of new album: *Don't Tap the Glass*

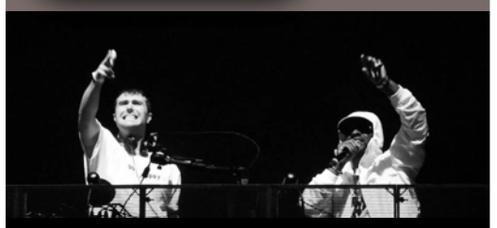
FRED AGAIN..



Estimated Attendees: **2,700**

Brooklyn Paramount, Brooklyn

June 2025



Promotion of collaborative EP with Skepta: *Skepta .. Fred*

FOO FIGHTERS



Estimated Attendees: **900**

Fremont Theater, San Luis Obsipo

September 2025

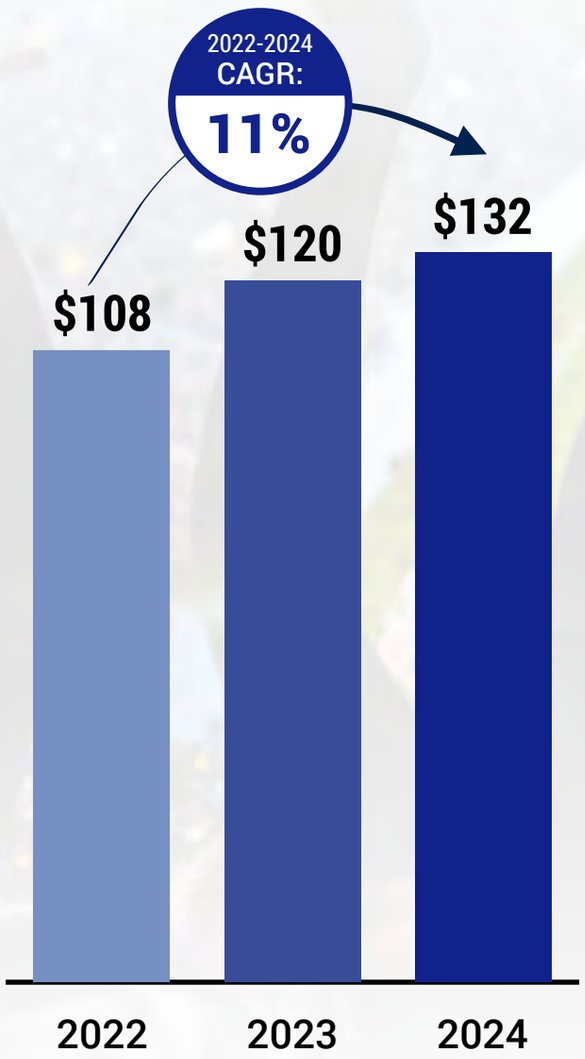


Promotion of new single: "Today's Song"

1. "Live event discovery" is defined as discovering new live events/activities. 2. "Live event attendees" are defined as adults aged 18+ who attended at least one live event in the last 12 months.
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026), Company sites

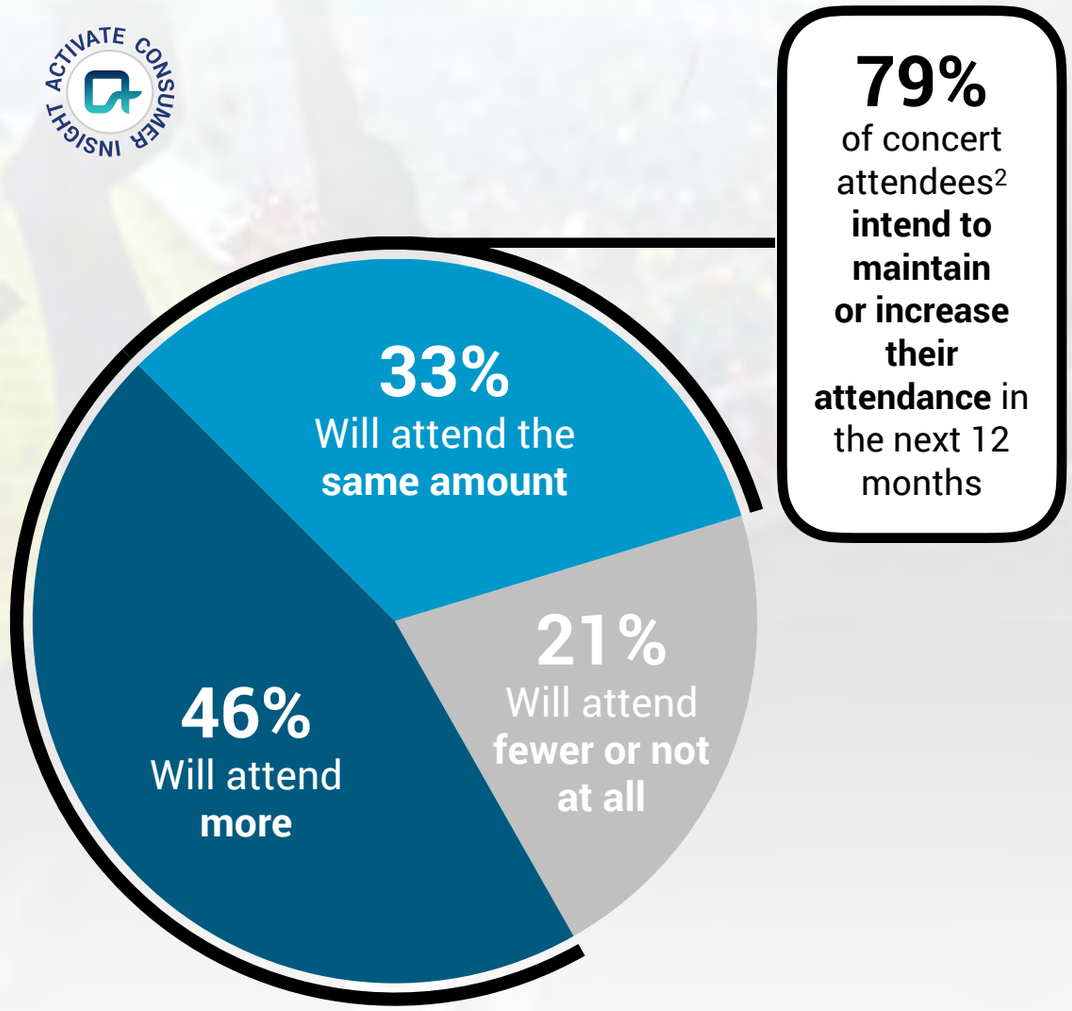
Concert attendees expect to increase attendance despite rising ticket prices

AVERAGE CONCERT TICKET PRICE FOR TOP 100 TOURS[1], NORTH AMERICA, 2022-2024, USD





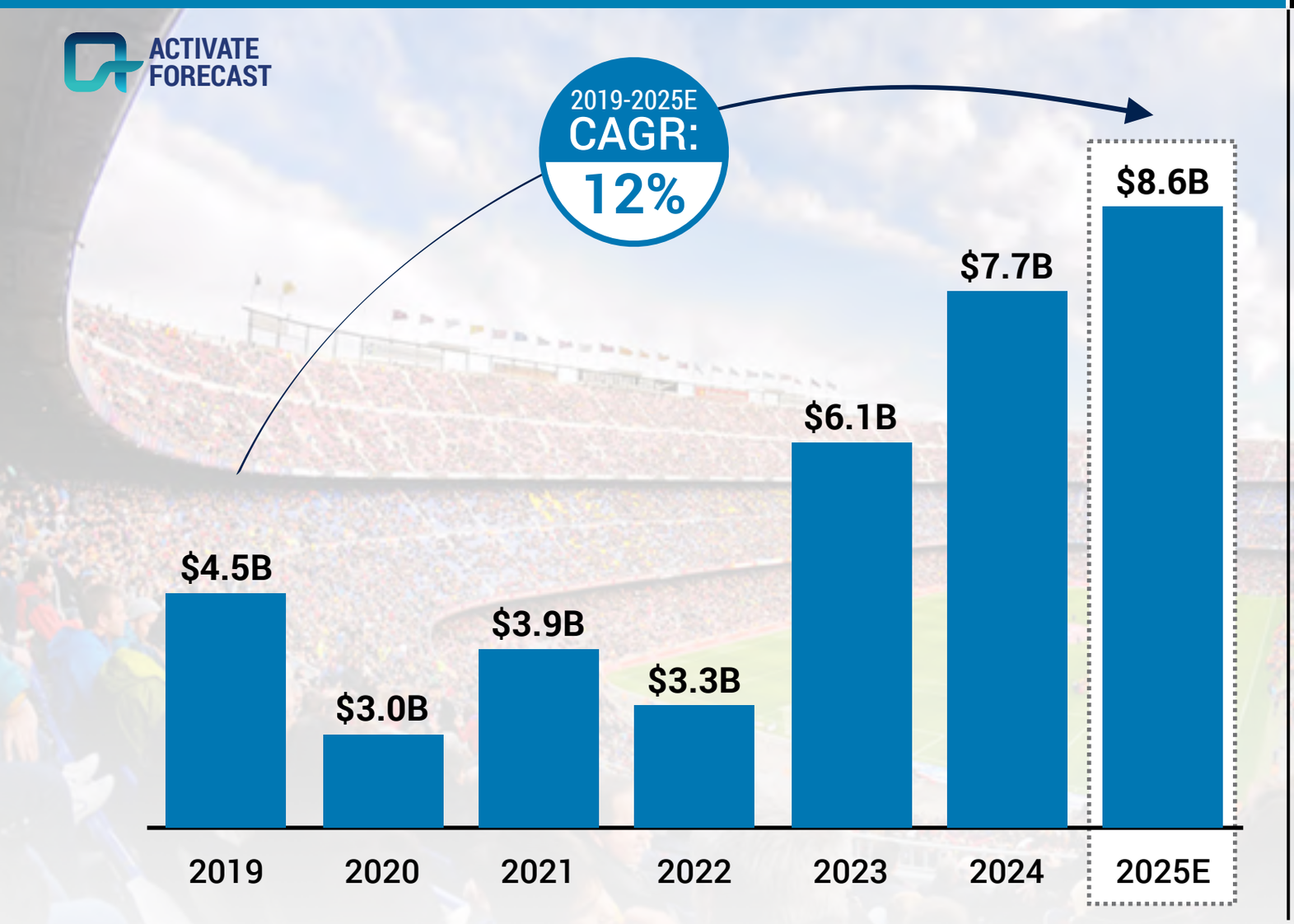
INTENT TO ATTEND CONCERTS IN THE NEXT 12 MONTHS, U.S., 2025, % CONCERT ATTENDEES[2]



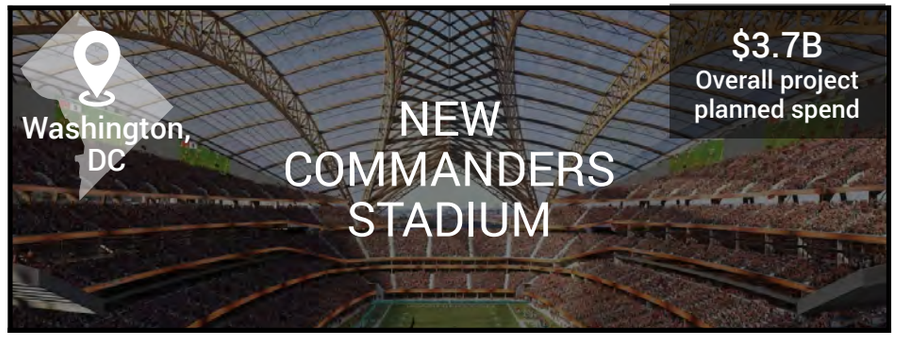
1. Reflects average ticket price for the top 100 North American concert tours by gross revenue weighted by number of tickets sold.
2. "Concert attendees" are defined as adults aged 18+ who attended at least one concert in the last 12 months.
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026), Pollstar

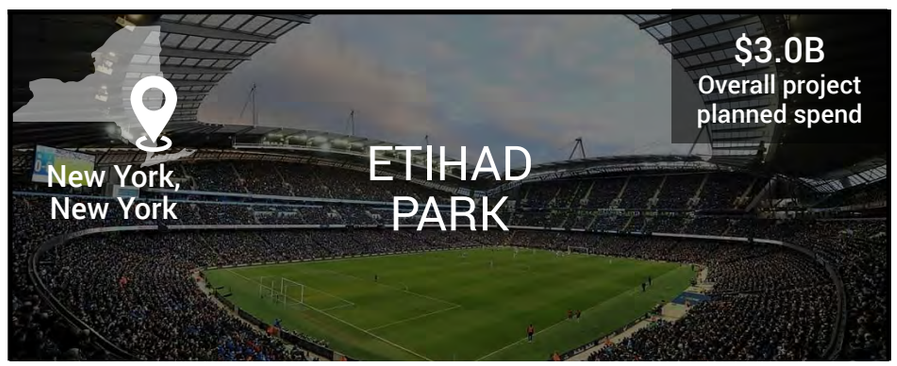
Investment in sports stadiums will continue to increase at a rapid pace to meet demand for live events, elevating fan experiences and transforming cities

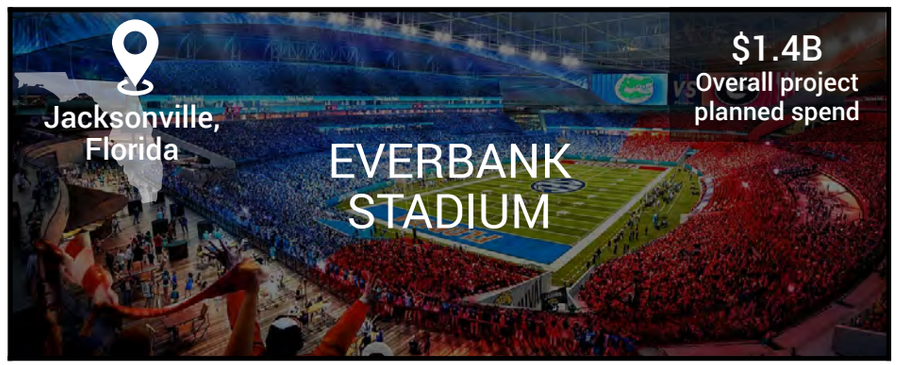
TOTAL STADIUM AND ARENA INVESTMENT[1] BY PROJECT START DATE[2], U.S., 2019-2025E, BILLIONS USD



EXAMPLES OF MAJOR RECENT STADIUM INVESTMENT ANNOUNCEMENTS







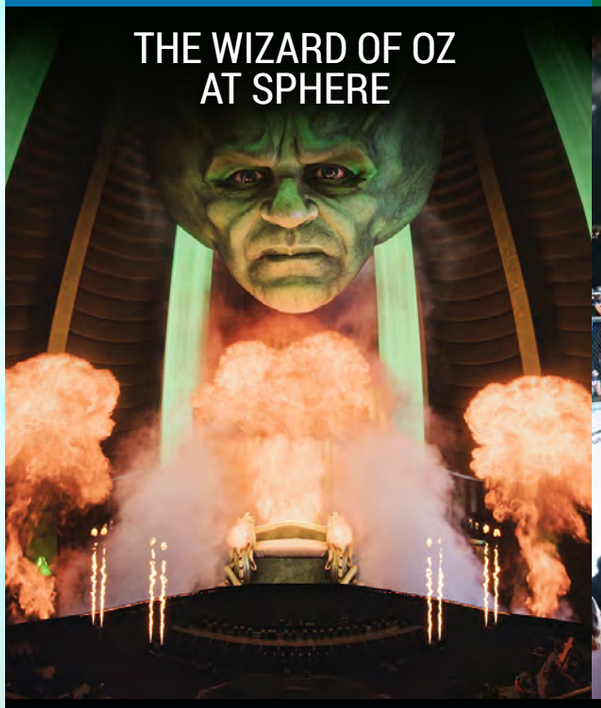
1. Includes the total cost of stadium and arena construction projects, including all expenses associated with planning, design, and construction. 2. Reflects total stadium and arena investment associated with a project in the U.S. (including school and college projects) exceeding $25M in value allocated to the year that construction began.
Sources: Activate analysis, Company sites, GlobalData, NFL, The Washington Post

AI technology will enable entirely new and upgraded live event experiences

EXAMPLES OF RECENT AI USAGE IN IMMERSIVE EXPERIENCES / LIVE EVENTS

FILM

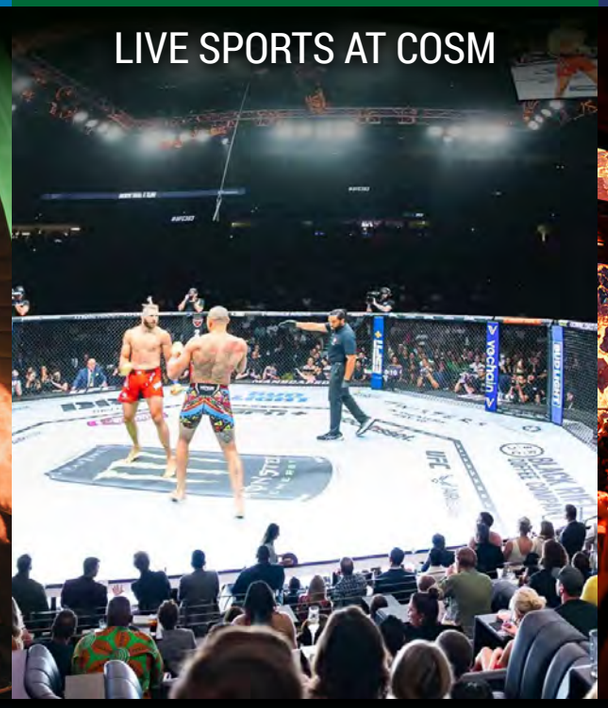
THE WIZARD OF OZ AT SPHERE



Expands visuals using AI technology to reformat original 1939 film for Sphere's 160,000-foot LED display

SPORTS

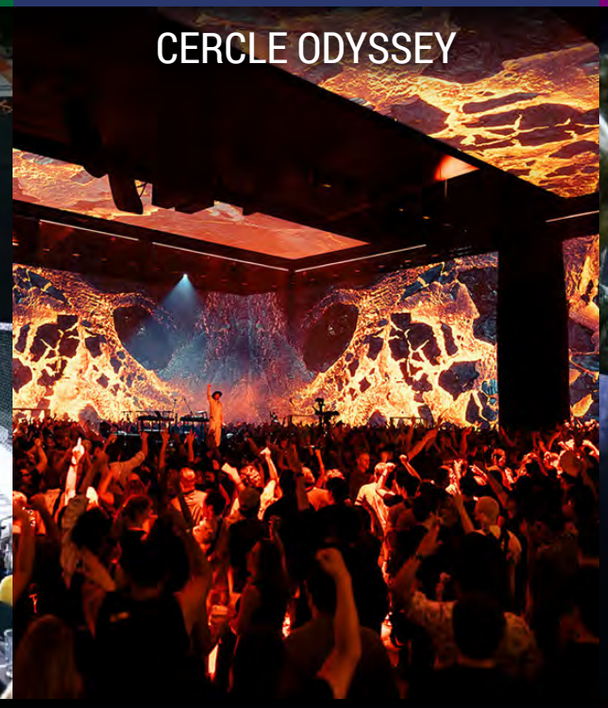
LIVE SPORTS AT COSM



Leverages AI-driven software to process 300TB of data to enable livestreaming of sporting events in a shared reality environment

MUSIC

CERCLE ODYSSEY



Harnesses AI technology for real-time music synchronization and compositing of 2,300 square meters of 8K panoramic screens

THEME PARKS

EPIC UNIVERSE: MONSTERS UNCHAINED[1]



Integrates AI-powered animatronics to enhance realism of facial expressions, gestures, and body movements

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1. Launch of AI-powered animatronics expected in 2025.
Sources: Activate analysis, Company sites, Dell Technologies, The New York Times, Orlando Business Journal

Live experiences will be built in most major markets to serve local catchment areas

NBCUniversal
Universal Park/Resort
UK
Announced 2025



sphere
The Sphere
UAE
Announced 2024



LEGOLAND
Legoland: Shanghai
China
Opened 2025



MINECRAFT
Minecraft Experience: Villager Rescue
UK & Canada
Opened 2025



DONKEY KONG
Donkey Kong Country
Japan
Opened 2024



PAC-MAN
Pac-Man Live Experience
UAE
Opened 2025



SUPERBLUE
Superblue
South Korea
Announced 2025



Six Flags
Six Flags Qiddiya City
Saudi Arabia
Expected 2025



Disney
Disney Theme Park
UAE
Expected 2030-2033



minion land
Minion Land
Singapore
Opened 2025

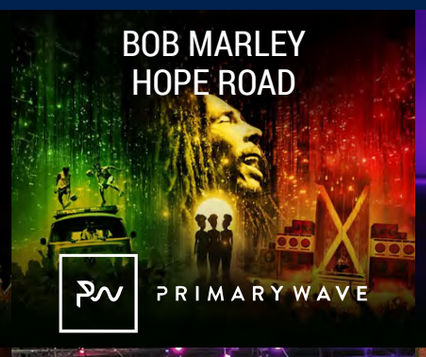


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Sources: Activate analysis, Arabian Gulf Business, Attractions Magazine, CNBC, Company sites, Condé Nast, Korea Post, Reuters

IP owners/investors will leverage live events as a way to increase touch points with consumers and unlock incremental audiences

EXAMPLES OF LIVE EVENTS ADOPTED FROM EXISTING IP

BROADWAY SHOWS	FAMILY ENTERTAINMENT	Film in Concert	IMMERSIVE EXPERIENCES	LIVE Podcast Recordings	MUSEUM EXHIBITS
					
					
					

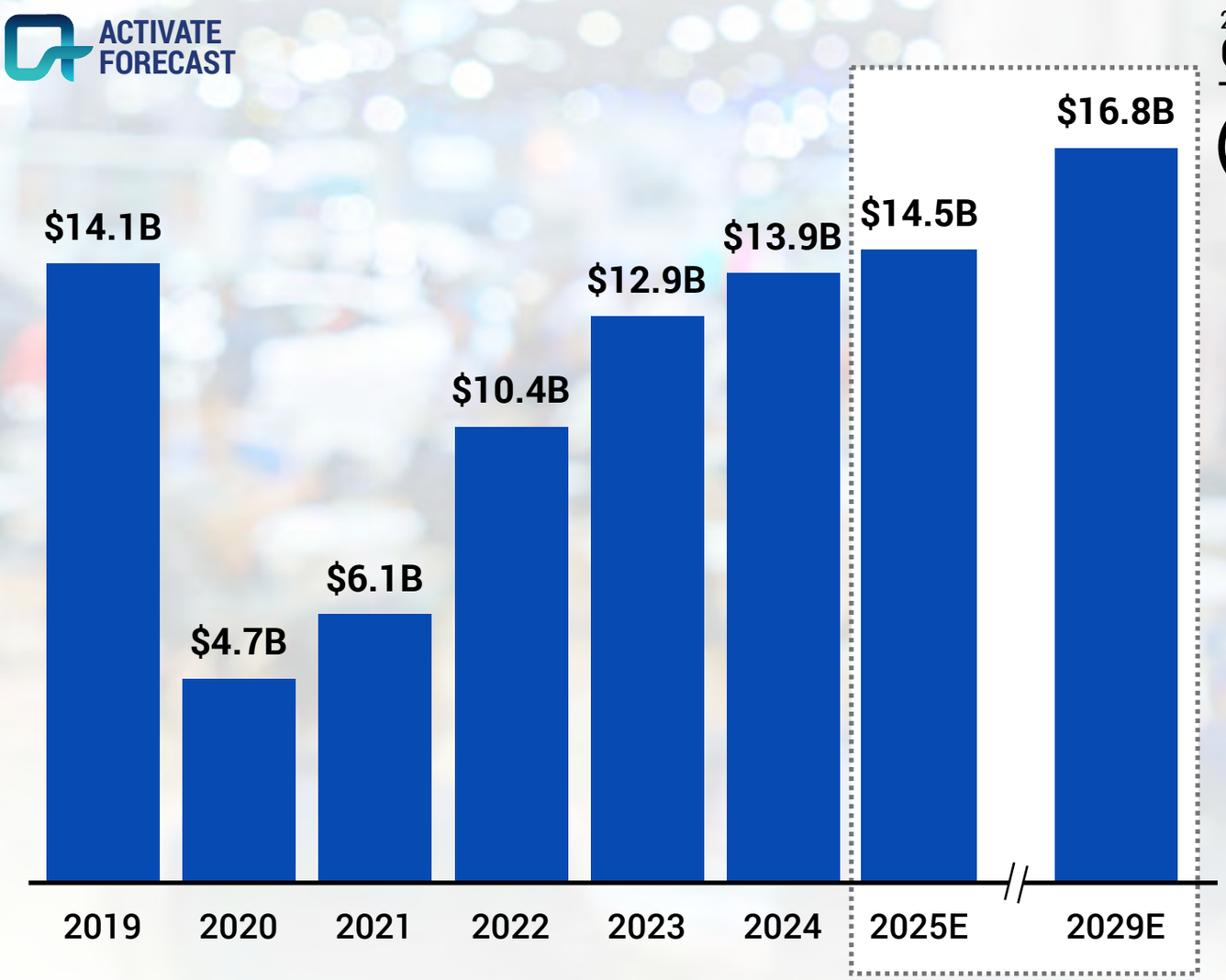
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Sources: Activate analysis, Axios, Billboard, Company press releases, Dallas News, Forbes, New York Theater Guide, The New York Times, NPR, Variety

The live B2B exhibitions market will reach almost $17B by 2029

TOTAL SPEND[1] ON BUSINESS-FOCUSED EXHIBITIONS[2], U.S., 2019-2025E VS. 2029E, BILLIONS USD

ACTIVATE FORECAST



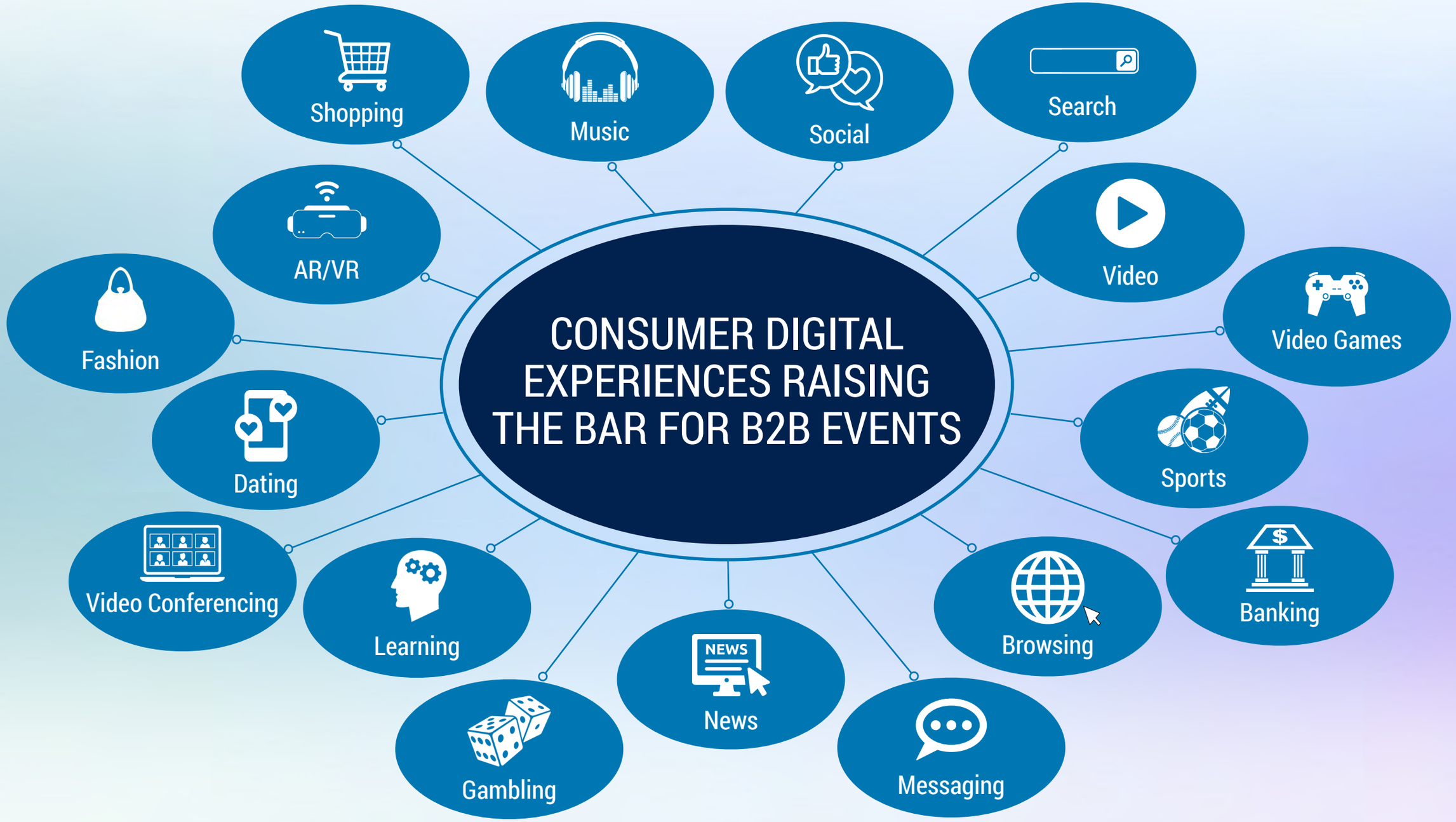
EXAMPLE BUSINESS-FOCUSED EXHIBITIONS



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1. "Total spend" includes business spend on exhibit space, conference fees, advertising, and sponsorships. 2. "Business-focused exhibitions" are defined as business-focused conventions, expositions, and conferences.
Sources: Activate analysis, Center for Exhibition Industry Research, Company filings, IBISWorld, Omdia, PricewaterhouseCoopers

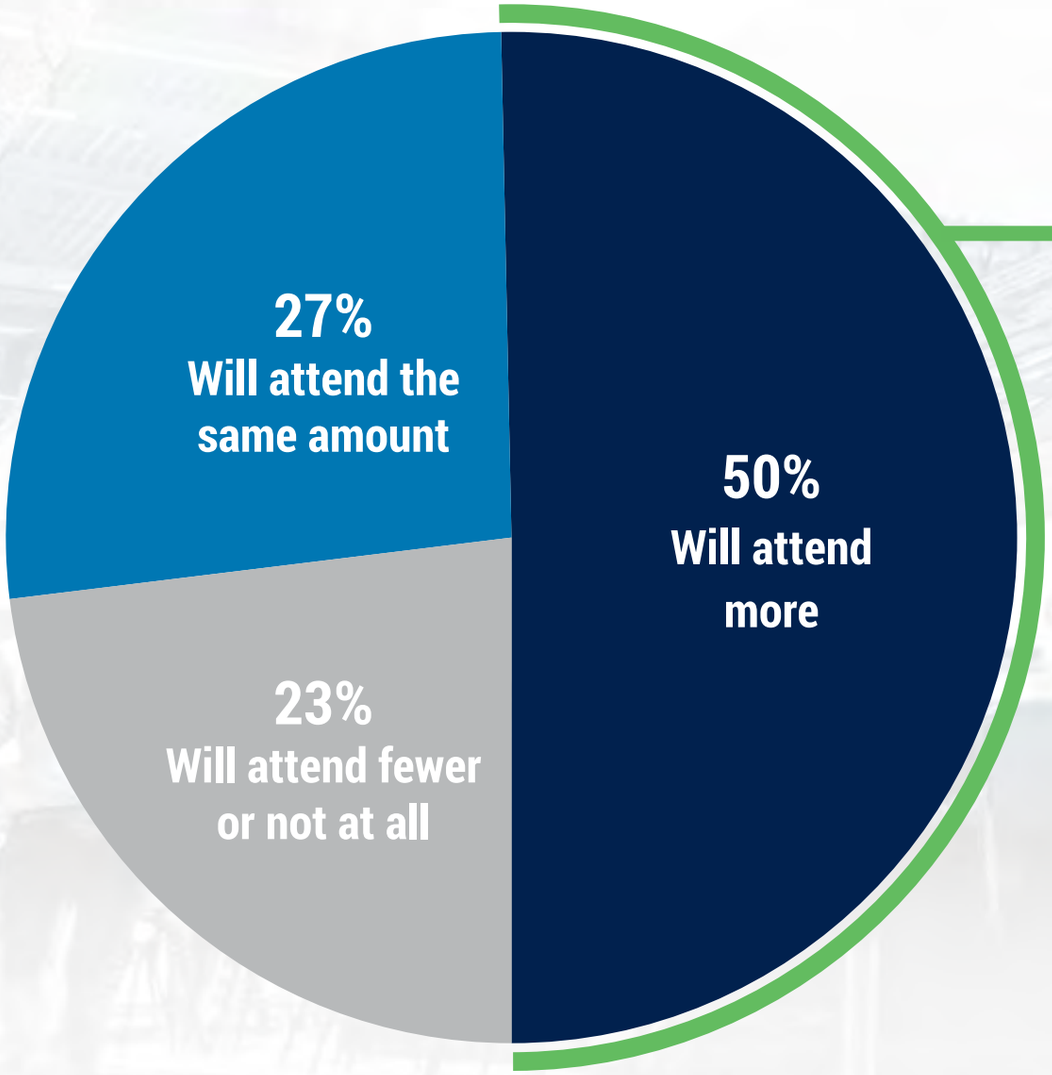
B2B events will become more sophisticated as consumer entertainment and interactive applications raise the bar for live experiences



Source: Activate analysis

Attendance at business-focused events is expected to continue to increase

INTENT TO ATTEND BUSINESS-FOCUSED EVENTS[1] IN THE NEXT 12 MONTHS, U.S., 2025, % BUSINESS-FOCUSED EVENT ATTENDEES[2]



50%
of U.S. adults that attended a business-focused event[1] in the last 12 months plan to attend more in the next 12 months

1. "Business-focused events" are defined as business-focused conventions, expositions, and conferences. 2. "Business-focused event attendees" are defined as as adults aged 18+ who attended at least one business-focused event in the last 12 months.
Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026)



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SPATIAL COMPUTING: THE POST-SMART PHONE ERA AND THE NEW MASTERS OF REALITY

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The largest global technology companies are investing in spatial computing as a bet on the post-smartphone future

MAJOR TECHNOLOGY COMPANIES WITH DEVICES IN SPATIAL COMPUTING (LAUNCHED, IN DEVELOPMENT, OR RUMORED)

VR/MR Headsets

- Apple
- Meta
- Samsung
- HTC
- Sony
- ByteDance
- Lenovo[1]
- ASUS[1]
- Valve

AI Glasses

- Meta
- Google[2]
- Amazon[2]
- Alibaba
- Huawei
- Baidu[2]
- Snapchat
- Apple[1]
- NVIDIA[1]

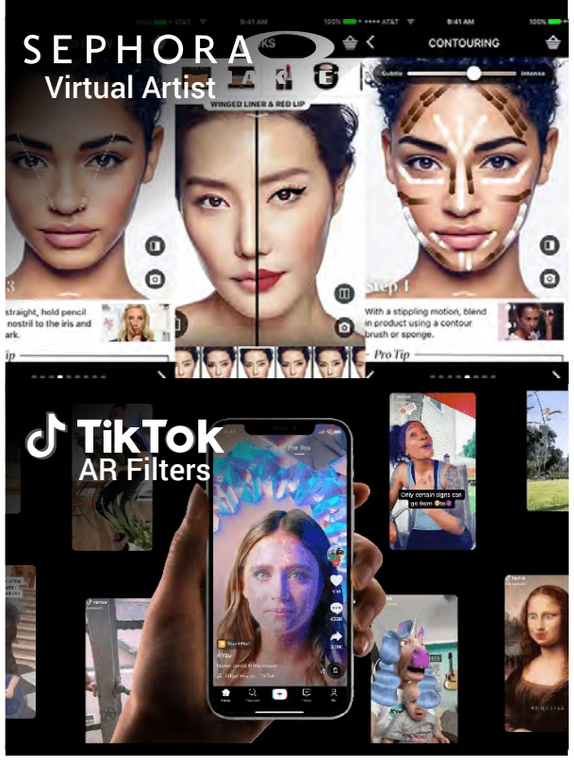
Note: Not exhaustive. 1. Rumored AI glasses or VR/MR headset in development as of Oct. 2025. 2. Announced but not yet released as of Oct. 2025.
Sources: Activate analysis, Company sites

Spatial computing experiences span from ambient interactions enabled through accessible AR visual and audio devices to fully immersive environments powered by advanced headsets

SPATIAL COMPUTING EXPERIENCES

AR: Augmented Reality
(Primarily via Phone Screens)

Digital visual, audio, and haptic overlays that leverage data to enhance the physical world, delivered through AR-enabled smartphones



VR: Virtual Reality
(Immersive and Non-Pass-Through)

A view that blocks out the real world and replaces it with a fully immersive virtual environment, usually delivered through a dedicated VR headset device



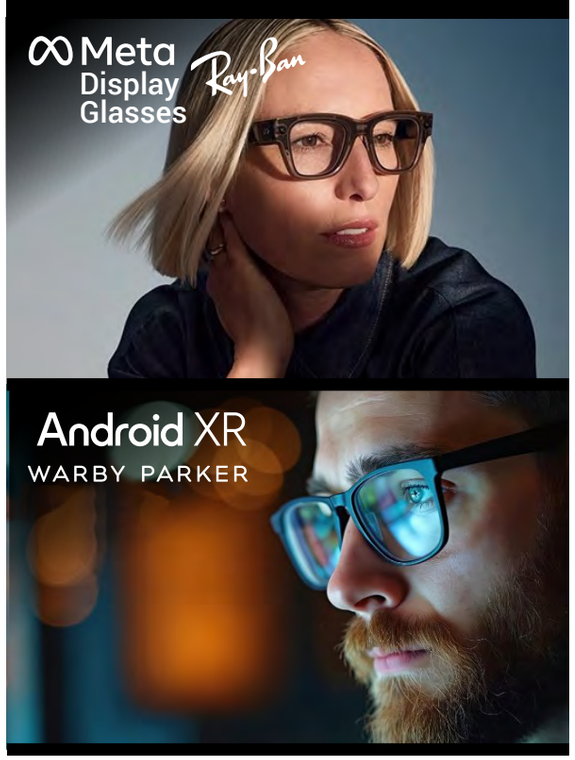
MR: Mixed Reality
(Immersive and Pass-Through)

A fusion of physical and digital worlds that combines aspects from both VR and AR, usually delivered through a dedicated MR device



AI Glasses
(See-Through Glass with AI Assistance)

Digital visual overlays and smart audio that leverage data to enhance the physical world, provided by see-through glasses

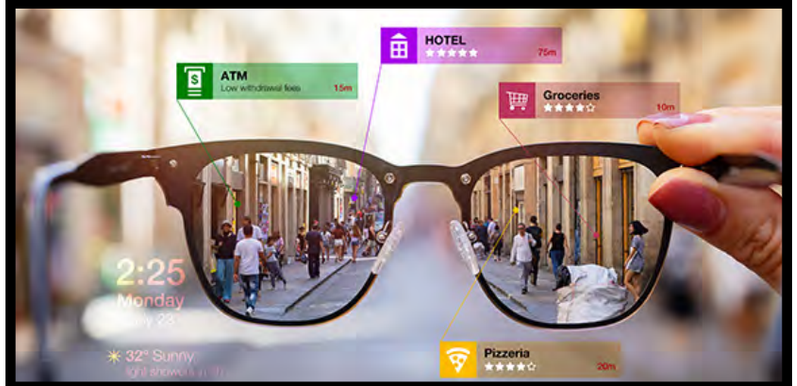


Sources: Activate analysis, Company press releases, Company sites

AI glasses represent the heads-up display bringing AI into the real world

EXAMPLES OF AI GLASSES USE CASES: HEADS-UP AI

SEARCH AND DISCOVERY



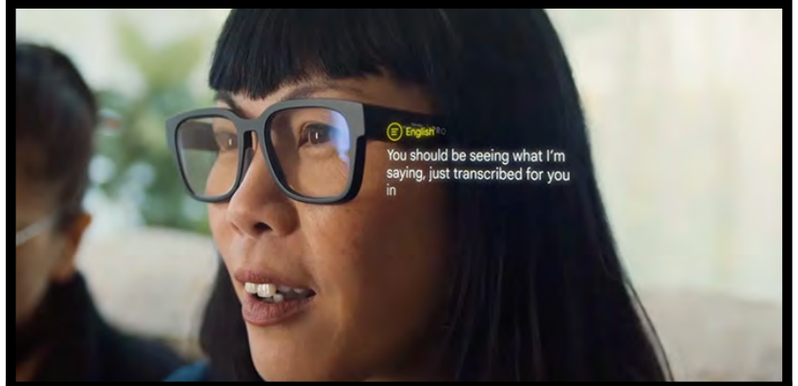
Delivering contextual and predictive search results in real-world environments

NAVIGATION



Displaying navigational guidance with contextual alerts

TRANSLATION AND CAPTIONING



Translating conversations and written text in real time

ON-THE-GO ASSISTANT



Providing visual recognition and query assistance

SHOPPING AND COMMERCE



Enabling personalized in-store shopping assistance and purchasing

ENTERTAINMENT



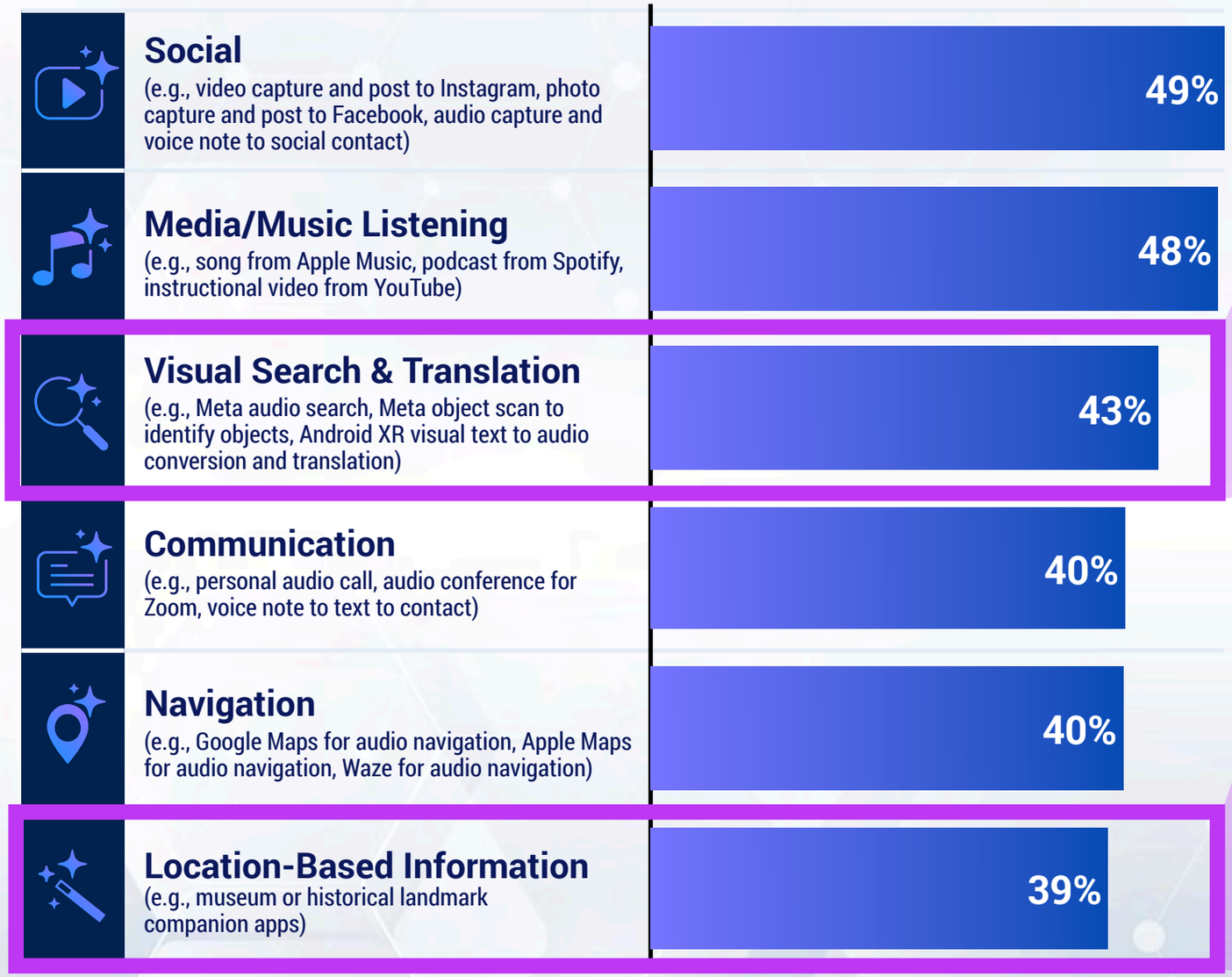
Highlighting sports scores, statistics, and sports news notifications

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Source: Activate analysis

App usage on AI glasses reflects smartphone patterns, as consumer behaviors gradually adapt to spatial devices and services

USAGE OF APPS/CAPABILITIES/TOOLS ON AI GLASSES IN LAST 12 MONTHS,
U.S., 2025, % ADULTS AGED 18+ WHO OWN AI GLASSES AND USE ON A MONTHLY BASIS

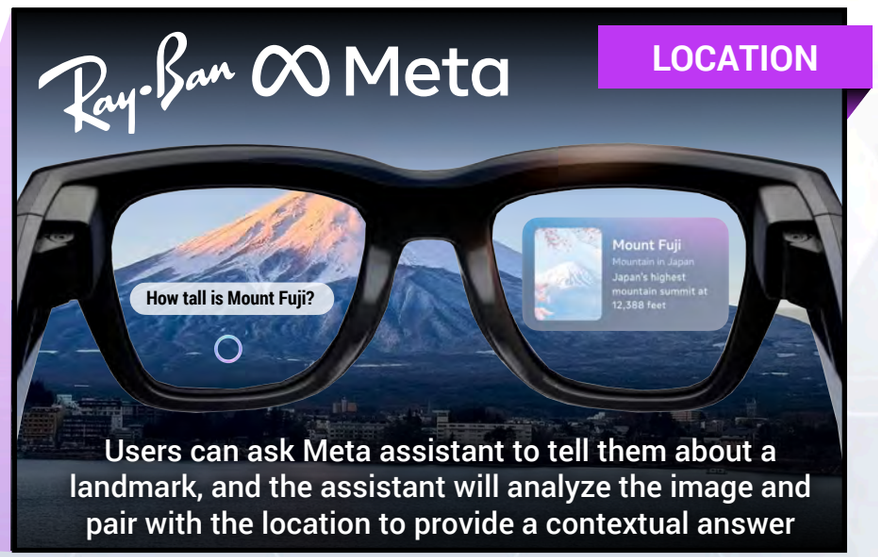


ACTIVATE CONSUMER INSIGHT

Spatial-Centric Use Case Examples



Gemini translates spoken languages and displays the translation within the glasses' heads-up display



Users can ask Meta assistant to tell them about a landmark, and the assistant will analyze the image and pair with the location to provide a contextual answer

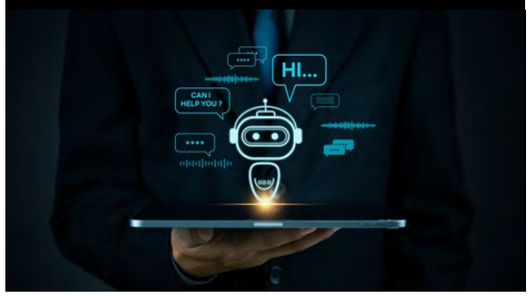
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Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026)

Beyond AI glasses, spatial computing and AI will activate every computing interaction point, enabling the physical world to become the interface

EXAMPLE CURRENT AND FUTURE SPATIAL-ENABLED SURFACES, OBJECTS, AND SPACES

TABLETS



COMPUTERS



PHONES



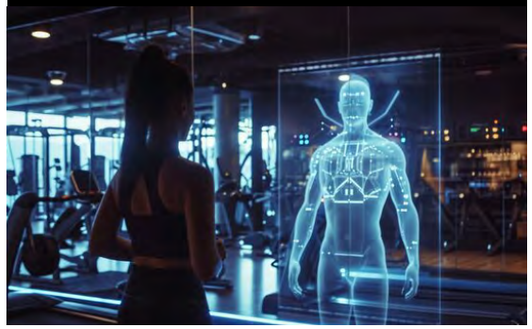
WINDSHIELDS



DIGITAL SIGNAGE



MIRRORS



GAMING CONSOLES



TELEVISIONS



HEALTH SENSORS



MEDICAL EQUIPMENT



POINT-OF-SALE SYSTEMS



INDUSTRIAL EQUIPMENT



Source: Activate analysis

The major technology companies are scaling the volume of AR, VR, and MR applications to drive usage and adoption of spatial devices

SELECT MAJOR APP STORES WITH SPATIAL APPLICATIONS[1]

STOREFRONTS WITH SPATIAL-NATIVE APPS

Meta Store
9.3K
Spatial Apps

The Steam Store
6.7K
VR Games

Apple App Store
3K
Spatial Apps

HTC Viveport Store
2.6K
VR Games

STOREFRONTS WITH SMARTPHONE APPS MADE COMPATIBLE WITH SPATIAL DEVICES

Apple App Store
1.5M[2]
Spatial-Compatible Apps

Google Play Store
1M+[3]
Spatial-Compatible Apps

OTHER STOREFRONTS WITH SPATIAL APPS

PlayStation Store | PICO STORE | SIDEQUEST | itch.io

Note: Not exhaustive. 1. As of Oct. 24, 2025. 2. Majority are iOS apps ported to be compatible with VisionOS. 3. Majority are Android apps ported to be compatible with Android XR.
Sources: Activate analysis, AppBrain, Company press releases, Company sites

Meta and Apple are leveraging the prominent brands and use cases in each respective app store to help transition users to elevated spatial experiences

EXAMPLES OF POPULAR APPS FOR META QUEST AND VISION PRO

Meta Quest





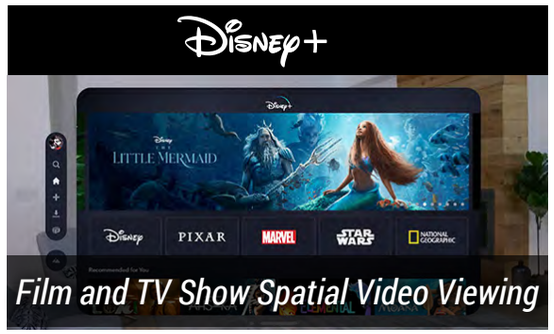




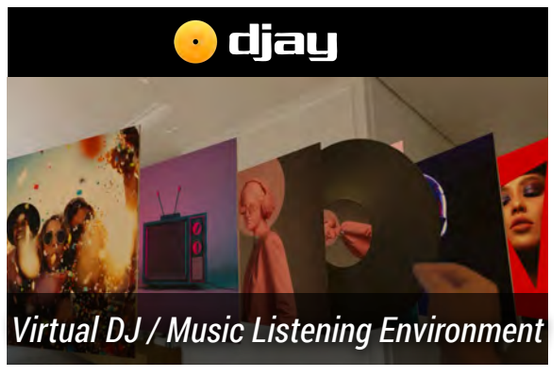


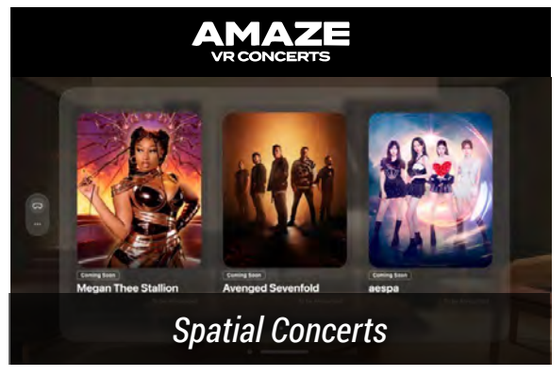


Vision Pro

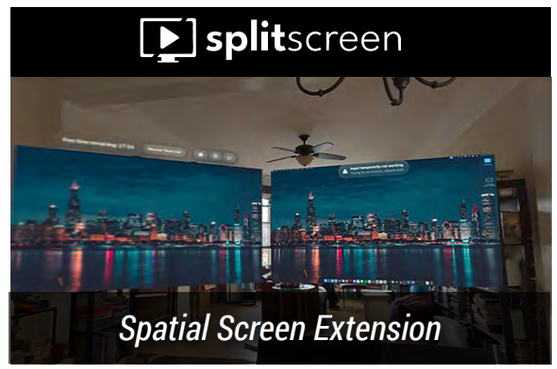












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Sources: Activate analysis, Company sites

Over the last two years, major technology players have pursued divergent paths to spatial leadership; rapid deployment through AI glasses, perfectionism of MR user experiences, and cloud/development services for all spatial platforms

COMPANIES WITH IN-MARKET / ANNOUNCED SPATIAL DEVICES AND SERVICES, GLOBAL, 2023 AND BEYOND

Meta | Google | Apple | SAMSUNG | Snap Inc. | amazon | Microsoft

* Not yet released

POSITIONING	AI/XR GLASSES PROLIFERATORS	MIXED REALITY PERFECTIONISTS	CLOUD/COMPUTE SERVICES FOR AI/SPATIAL DEVICES

DEVICES AND SERVICES

Meta-Owned Platforms

- Meta Quest 3
- ORION*

Partner Platforms

- Ray-Ban | Meta: Ray-Ban Display Glasses, Wayfarer Glasses, Skyler Glasses, Headliner Glasses
- OAKLEY | Meta: Vanguard Glasses, HTSN Glasses
- PRADA* | Meta
- ASUS* | Meta
- Lenovo* | Meta

Partner Platforms

- WARBY PARKER* Android XR
- KERING EYEWEAR* Android XR
- GENTLE MONSTER* Android XR
- SAMSUNG* PROJECT MOOHAN Android XR
- SAMSUNG* GLASSES Android XR

Apple-Owned Platforms

- Vision Pro
- Vision Pro 2*
- Vision Pro Glasses*

Samsung-Owned Platform

- SAMSUNG Galaxy XR

Snap-Owned Platforms

- Spectacles (Dev. Model)
- Spectacles* (Consumer Model)

CLOUD AND PARTNER SOLUTIONS FOR AI/SPATIAL

AR/VR 3D Content Services

- Amazon Sumerian
- aws partner network
- Amazon Nimble Studio

Compute & GPU Acceleration

- amazon EC2 G5 & G6
- aws Wavelength

AI/ML for Spatial Intelligence

- amazon Rekognition
- Amazon Polly
- aws Panorama

Azure

- Azure Mixed Reality Cloud
- Azure Remote Rendering
- Azure Cognitive Services (Speech, Vision)

Note: Not exhaustive.
Sources: Activate analysis, Company press releases, Company sites

Spatial hardware innovation is shifting towards AI glasses; VR/MR headset development remains concentrated among incumbent tech companies

SMART GLASSES[1]

VR/MR HEADSETS

PRE-2015
- SEGA VR HEADSET
- Nintendo VIRTUAL BOY
- Google Cardboard
- GLASS

2015
- VUZIX M100
- ODG R-7
- SAMSUNG Gear VR

2016
- oculus Rift CV1
- PlayStation VR
- Microsoft HoloLens (1st Gen)
- VIVE

2017
- ODG R-9
- ODG R-8
- Lenovo Explorer
- SAMSUNG Odyssey

2018
- VUZIX BLADE
- magic leap
- VIVE PRO
- oculus Go
- SAMSUNG HMD Odyssey+

2019
- HUAWEI EYEWEAR (1st Gen)
- VIVE FOCUS
- VR-1
- HP REVERB
- oculus Quest
- Microsoft HoloLens 2
- VALVE INDEX
- HUAWEI VR GLASS

2020
- VUZIX M400
- lucyd LOUD
- oculus Quest 2
- XR-1 (Developer Edition)
- HP REVERB G2

2021
- echo frames (1st Gen)
- RAY-BAN STORIES
- Lenovo ThinkReality A3
- echo frames (2nd Gen)
- XREAL AIR
- lucyd LYTE
- XR-3
- AERO
- VIVE PRO 2
- VIVE FOCUS 3

2022
- VITURE ONE
- magic leap 2
- lucyd LYTE 2
- VUZIX BLADE 2
- PICO 4
- LYNX R1
- Meta Quest Pro
- PlayStation VR2

2023
- HUAWEI EYEWEAR (2nd Gen)
- XREAL AIR 2
- Rokid MAX
- XR-4
- VIVE XR ELITE
- Meta Quest 3

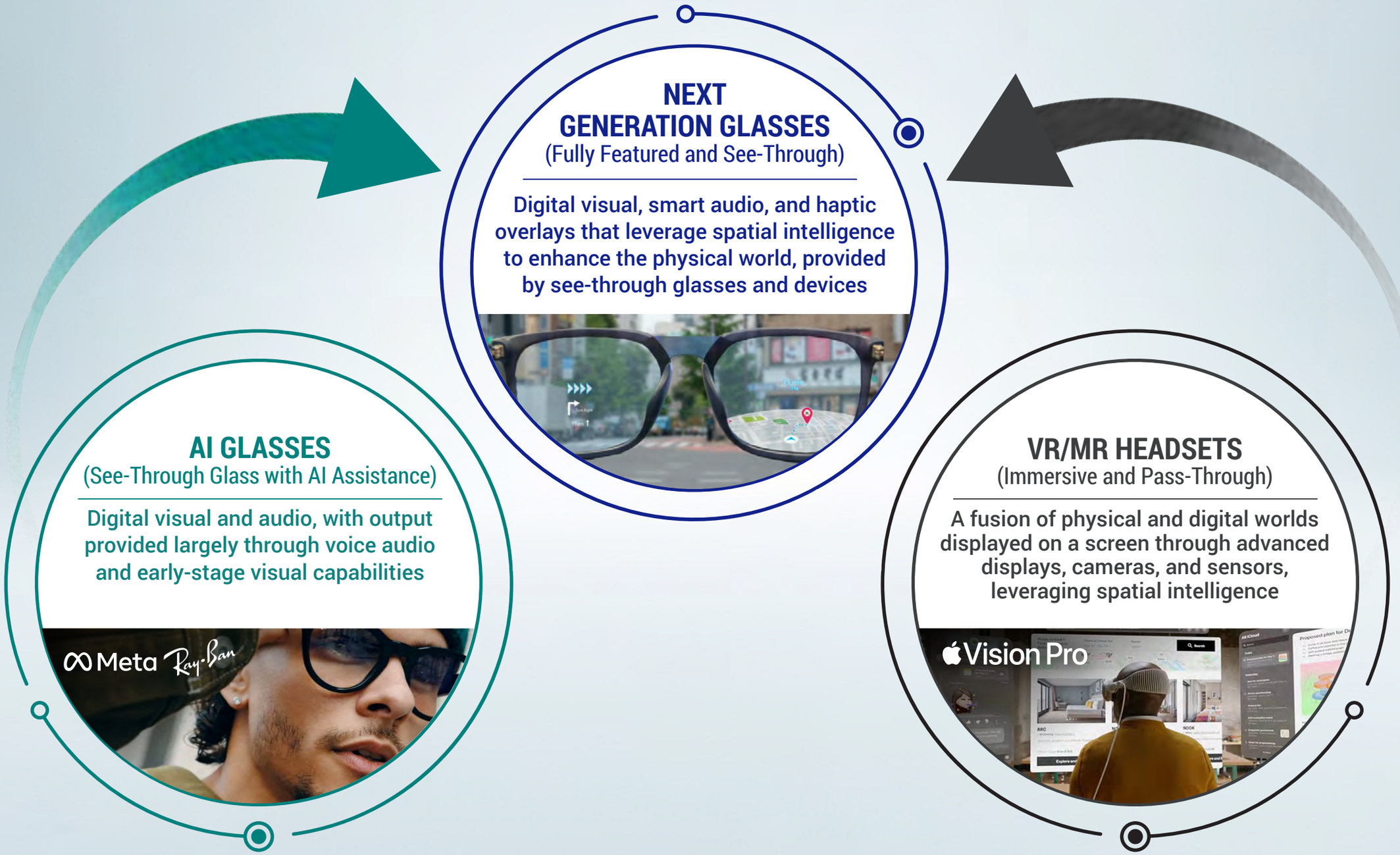
2024
- Brilliant Labs Frame
- Spectacles (Dev. Model)
- RayNeo AIR 2S
- HUAWEI EYEWEAR (Sunglasses)
- EVEN REALITIES G1
- VITURE PRO XR
- RayNeo X2
- Vision Pro
- PICO 4 ULTRA
- VIVE FOCUS VISION

2025
- Ray-Ban Meta
- RayNeo AIR 2
- VUZIX Z100
- VITURE LUMA
- VIVE EAGLE
- xiaomi AI GLASSES
- XREAL ONE
- RayNeo AIR 3S
- Rokid MAX 2
- Brilliant Labs Frame Halo
- OAKLEY Meta Vanguard HSTN
- Ray-Ban Meta Display Wayfarer Skyler Headliner
- SAMSUNG Galaxy XR
- SONY SIEMENS SRH-S1

BEYOND 2025
- Google & Android
- GENTLE MONSTER WARBY PARKER SMART GLASSES COLLABORATION[2]
- Google KERING EYEWEAR SMART GLASSES[2]
- Spectacles (Consumer Model)
- XREAL PROJECT AURA[2]
- Meta Orion[2] Glasses
- PRADA
- Project N50
- Vision Pro2
- Meta Lenovo Collaboration[2]
- Meta ASUS "Tarius"[2]

Note: Not exhaustive. Years reflect the date the device was first released to the public. 1. Includes glasses with smart audio (i.e., speech recognition) and/or a digital display overlayed on the real world. 2. Official product name not yet announced.
Sources: Activate analysis, Company press releases, Company sites

The next generation of AI glasses will merge the advanced spatial capabilities of VR/MR headsets with the consumer-grade design of today's smart glasses to deliver fully integrated, ambient intelligent services



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Source: Activate analysis

The transition from smartphones to spatial devices represents a platform shift on par with the advent of the internet and the smartphone, catalyzing sweeping changes in consumer behavior and unlocking entirely new models of monetization

Platform Shifts Reshuffle Industry Winners and Losers	Just as the smartphone reshaped technology and media, spatial computing / AI glasses adoption will spur the creation of new operating systems, app ecosystems, and revenue streams
New Interfaces Drive New Consumer Behaviors	Spatial computing is changing how people search, shop, watch, and work, and is shifting behaviors from “pull” (opening apps) to “ambient push” (AI serving context-aware recommendations and insights)
Revenue Streams and Models Adapt to New Consumer Behaviors	Advertising will move from screens to immersive, in-world formats (e.g., AR product placements, AI-driven recommendations), while media formats, licensing, and distribution will evolve for spatial-first experiences
Enterprises Leverage Market Innovation to Evolve Productivity	AI glasses will accelerate real-time data capture, hands-free collaboration, and immersive training, disrupting industries from healthcare to manufacturing

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Source: Activate analysis

Major technology companies are advancing spatial initiatives to reinforce their core strategic ambitions

STRATEGIC DRIVERS SHAPING MAJOR TECHNOLOGY COMPANY INVESTMENT IN SPATIAL COMPUTING

	Virtual/Mixed Reality	AI Glasses
Apple	Continue leadership post-smartphone, expand its services ecosystem, and shape AI behaviors through Vision Pro and its rumored AI glasses	
Meta	Establish platform independence beyond Apple/Google ecosystems, reimagine social connection, and turn AI into a personal social assistant	
Google		Evolve search and anchor Gemini to Android XR devices
Samsung	Sustain hardware leadership and strengthen Google partnership	
ByteDance	Intensify efforts in immersive entertainment and AI discovery	
Nvidia		Showcase the capability of new AI chips (e.g., Low-Power Edge GPUs)
Sony	Deepen Sony's leadership in immersive entertainment	
HTC	Rebuild HTC's relevance after its smartphone business decline and evolve beyond VR into continuous, everyday computing	
Baidu		Drive AI platform (Ernie) ubiquity and developer ecosystem growth
Huawei		Reinvent the smartphone experience and showcase Celia AI
Xiaomi		Extend device ecosystem beyond smartphones and integrate HyperAI
Snap Inc.		Evolve into a broader mobile platform and extend its lead in AR

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Note: Not exhaustive.
Sources: Activate analysis, Company press releases, Company sites

Super Users will be at the forefront of adopting spatial computing devices and applications

NEXT-GENERATION TECHNOLOGY BEHAVIORS, U.S., 2025, SUPER USERS INDEXED TO ALL OTHER USERS

VIRTUAL REALITY (VR) / MIXED REALITY (MR)



4.3x

AS LIKELY TO USE **A VR/MR HEADSET** AT LEAST ONCE PER MONTH

EXAMPLES

- Vision Pro
- Meta Quest
- PlayStation VR2
- HP REVERB G2
- SAMSUNG Galaxy XR
- VIVE PRO 2

AI GLASSES



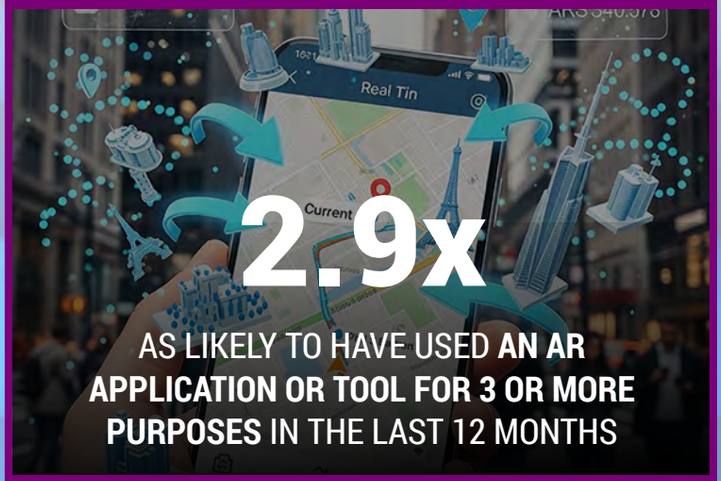
4.3x

AS LIKELY TO USE **AI GLASSES** AT LEAST ONCE PER MONTH

EXAMPLES

- Ray-Ban | Meta
- OAKLEY | Meta
- PRADA | Meta
- WARBY PARKER | Android XR
- GENTLE MONSTER | Android XR

AUGMENTED REALITY (AR)



2.9x

AS LIKELY TO HAVE USED **AN AR APPLICATION OR TOOL FOR 3 OR MORE PURPOSES** IN THE LAST 12 MONTHS

EXAMPLES

- IKEA Place
- Pokémon GO
- Google Lens
- TikTok
- Instagram (Effects and Filters)

Sources: Activate analysis, Activate 2025 Consumer Technology & Media Research Study (n = 4,026)

For spatial computing to supplant smartphones as the primary digital interface, it will need to be truly artificial and spatial intelligence-enabled, feature sophisticated displays, and be supported by networked data

PROGRESSION OF ARTIFICIAL INTELLIGENCE CAPABILITIES TOWARDS UBIQUITOUS SPATIAL COMPUTING

ARTIFICIAL INTELLIGENCE

- Features expansive large language models with access to large amounts of spatial data (e.g., maps, geo-location)
- Lacks a truly real-world component, and running most AI models is confined to mobile, PC, or IoT devices
- Requires a smartphone or PC as a user interface

VISUAL INTELLIGENCE

- Uses front cameras as sensors to capture and analyze 2D images and audio
- Delivers responses and guidance via audio feedback or rudimentary text and displays
- Provides experiences for users through first-generation AR glasses

SPATIAL INTELLIGENCE

- Represents multimodal AI interacting with the physical world, with the ability to process 3D inputs with perspective and depth
- Delivers immersive overlays and visuals
- Takes in 3D information and environments updated through data input and AI
- Will be made usable by future device and interface paradigms

AMBIENT NETWORKED SPATIAL COMPUTING

- Augments spatial intelligence capabilities with ambient, always-on data collection
- Represents the future state of ubiquitous spatial computing, with AI bridging the divide between physical and virtual worlds
- Will be made usable by future device and interface paradigms

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Source: Activate analysis

The ubiquitous spatial device will be ambient and always-on, continuously collecting data and leveraging multimodal AI to improve immersive experiences



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Source: Activate analysis

Next-generation spatial devices will continuously gather and process real-world, 3D data to power spatial intelligence

SPATIAL MAPPING AND ENVIRONMENTAL DATA

- Hyper-location
- Geospatial
- Simultaneous Localization and Mapping (SLAM)
- Environmental sensing
- Weather and atmospheric
- Infrastructure
- Topographical

VISUAL DATA

- Real-world object recognition
- 3D physical spaces, dimensions, distances
- Real-world search
- Augmented navigation
- Thermal and infrared



SITUATIONAL AUDIO DATA

- Ambient environmental sound
- Contextual audio cues
- User speech
- External/environmental speech

USER INTERACTION DATA

- Hand motions/gestures
- Facial expression changes
- Body and motion tracking
- Eye tracking
- Voice
- Biometric

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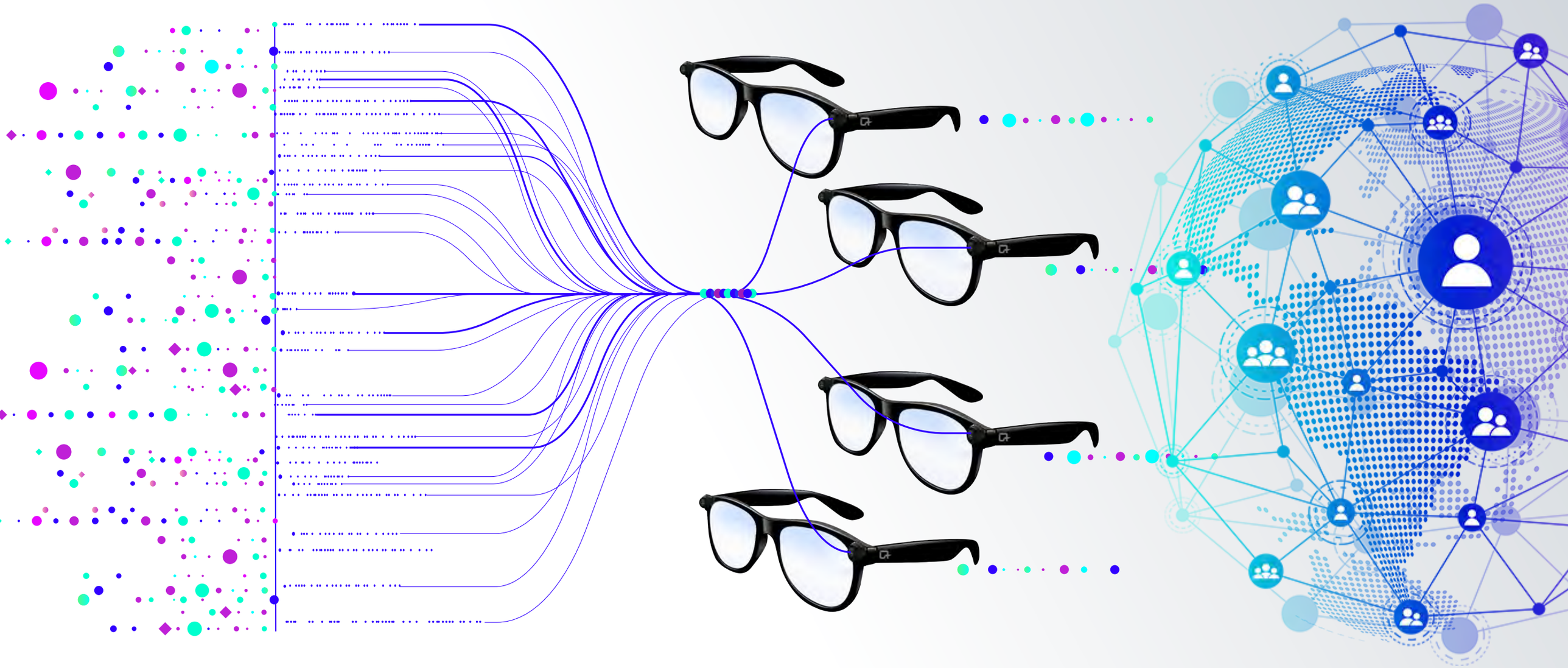
Note: Examples of real-world data. Not exhaustive.
Source: Activate analysis

Networked spatial data enables artificial intelligence and spatial intelligence to train on data from the real world — critical to overcoming the “cold start problem"

REAL-WORLD 3D DATA
(CAPTURED THROUGH DEVICE CAMERAS, SENSORS, MICROPHONES)

SEE THROUGH AI- AND SI[1]-AUGMENTED REALITY DEVICES

NETWORKED DATA TO TRAIN AI AND SI[1] ON THE REAL-WORLD AND POWER SPATIAL EXPERIENCES



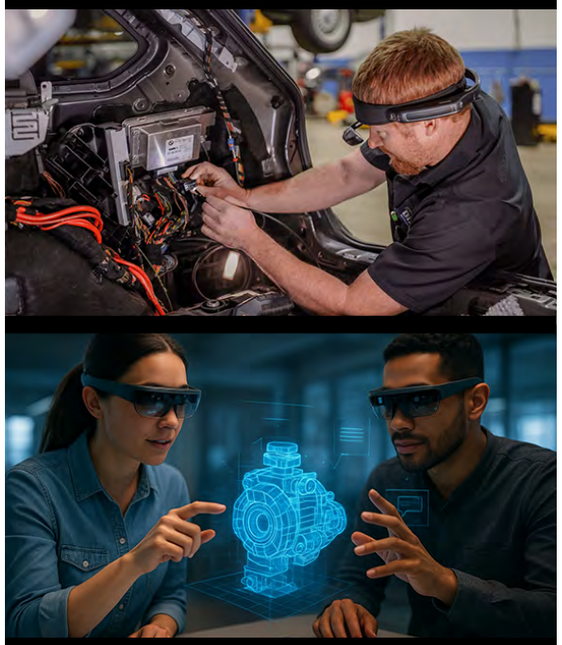
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1. Spatial intelligence.
Source: Activate analysis

Enterprises will leverage spatial computing to tackle complex workflows, integrating spatial data, AI, and spatial intelligence to transform B2B operations

CURRENT AND EMERGING ENTERPRISE USE CASES OF SPATIAL COMPUTING

MANUFACTURING



- **Augmented visual overlays** guide operators through tasks, **reducing training time**, **preventing errors**, and ensuring **consistent quality**
- **Spatial computing** enables teams to collaborate in **shared 3D environments**, instantly **visualizing changes** and making **joint design decisions**

HEALTHCARE



- **Enhanced medical imagery visualization** through spatial technology helps patients **better understand diagnoses** and **evaluate treatment options**
- **Spatial computing** powers **interactive medical training simulations** and supports surgery with **precise, real-time visual overlays**

INDUSTRIAL



- **Spatial technology** equips field service workers with **hands-free**, **real-time guidance** and **remote expert support**, enabling safer, more efficient work in **hazardous** or **hard-to-reach locations**
- Warehouse employees use spatial technology to **navigate optimized routes** and **spot hazards or bottlenecks** in real time, improving efficiency and safety

DEFENSE



- **Immersive 3D simulations and overlays** deliver **realistic training scenarios** that let pilots **practice complex maneuvers** and **prepare for high-pressure missions**
- **Spatial computing** provides **real-time battlefield visualization**, integrating **drone feeds**, **positional data**, and **intelligence** to support **faster, more informed tactical decisions**

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Source: Activate analysis

Ubiquitous spatial computing will be enabled by innovation across the full stack

THE SPATIAL COMPUTING STACK



SOFTWARE
Immersive applications enabling consumer use cases (e.g., immersive maps, entertainment, real-world search) **and enterprise functionality**

HARDWARE/DEVICE
Ambient, always-on hardware providing a constant feed of visual, audio, and motion data delivered through an energy-efficient device

OPERATING SYSTEMS
Frameworks and ecosystems enabling developers to design new spatial computing applications

SPATIAL INTELLIGENCE / GENERATIVE AI
Generative AI continuously improving and personalizing immersive, spatial environments

NETWORKED DATA
Data collected and processed in real time by spatial devices, augmented by third-party data to build complete environments (e.g., geospatial and map data)

COMPUTE
Edge computing and AI-optimized cloud platforms required for real-time data processing with low latency

CONNECTIVITY
Next generation of connectivity required for processing high volumes of data required for spatial intelligence functionality

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Source: Activate analysis

High-throughput and ubiquitous connectivity, edge computing, and cloud innovations will be required to enable more sophisticated and mobile-connected spatial experiences

UBIQUITOUS CONNECTIVITY



verizon · AT&T · T-Mobile · STARLINK · amazon | project kuiper · Viasat

Global high-speed networking coverage delivering large volumes of data supporting immersive and synchronous experiences at scale

EDGE COMPUTING AT SCALE



aws Wavelength · AT&T MEC · verizon 5G EDGE · Azure STACK EDGE & IoT EDGE

Ultra-low latency (<20 milliseconds for media/gaming use cases) for optimal user experience

SPATIAL / AI-OPTIMIZED CLOUD



aws · Azure · Google Cloud

Increased storage and advanced cloud development platforms (e.g., supporting users at scale, AI-optimized cloud services / GPU access and environments)

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Sources: Activate analysis, Company sites



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THE NEW DATA ROADMAP FOR CONSUMER MARKETERS

A Practical Application of the Enterprise AI Playbook: The New Data Roadmap for B2C Companies

- **In today's world of endless data and smarter AI-powered tools, B2C companies with sophisticated data operations are best positioned to outpace their competitors**

- **Data maturity exists on a spectrum, and no matter how advanced a company's data infrastructure, governance, and analytics capabilities are today, the changing landscape creates new challenges and opportunities for improvement**

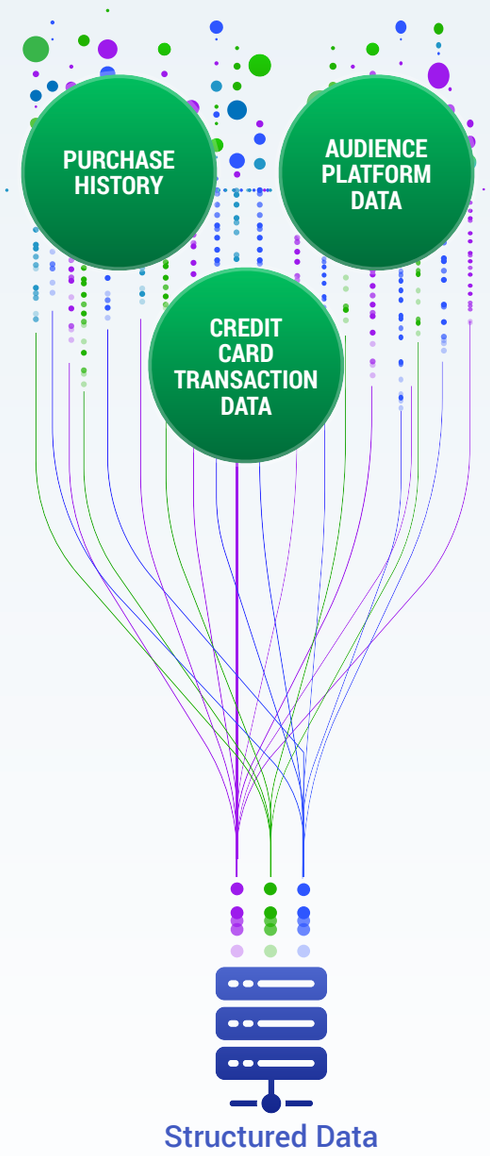
- **Advertisers' expectations of B2C companies continue to expand; what once centered on demographic segments is now precise targeting that integrates cross-platform consumption (e.g., television, Connected TV, digital editorial) with contextual and behavioral data**

- **When B2C companies successfully transform raw data into actionable intelligence, they unlock customer loyalty, accelerate growth, and create entirely new revenue streams — fueling a durable competitive advantage**

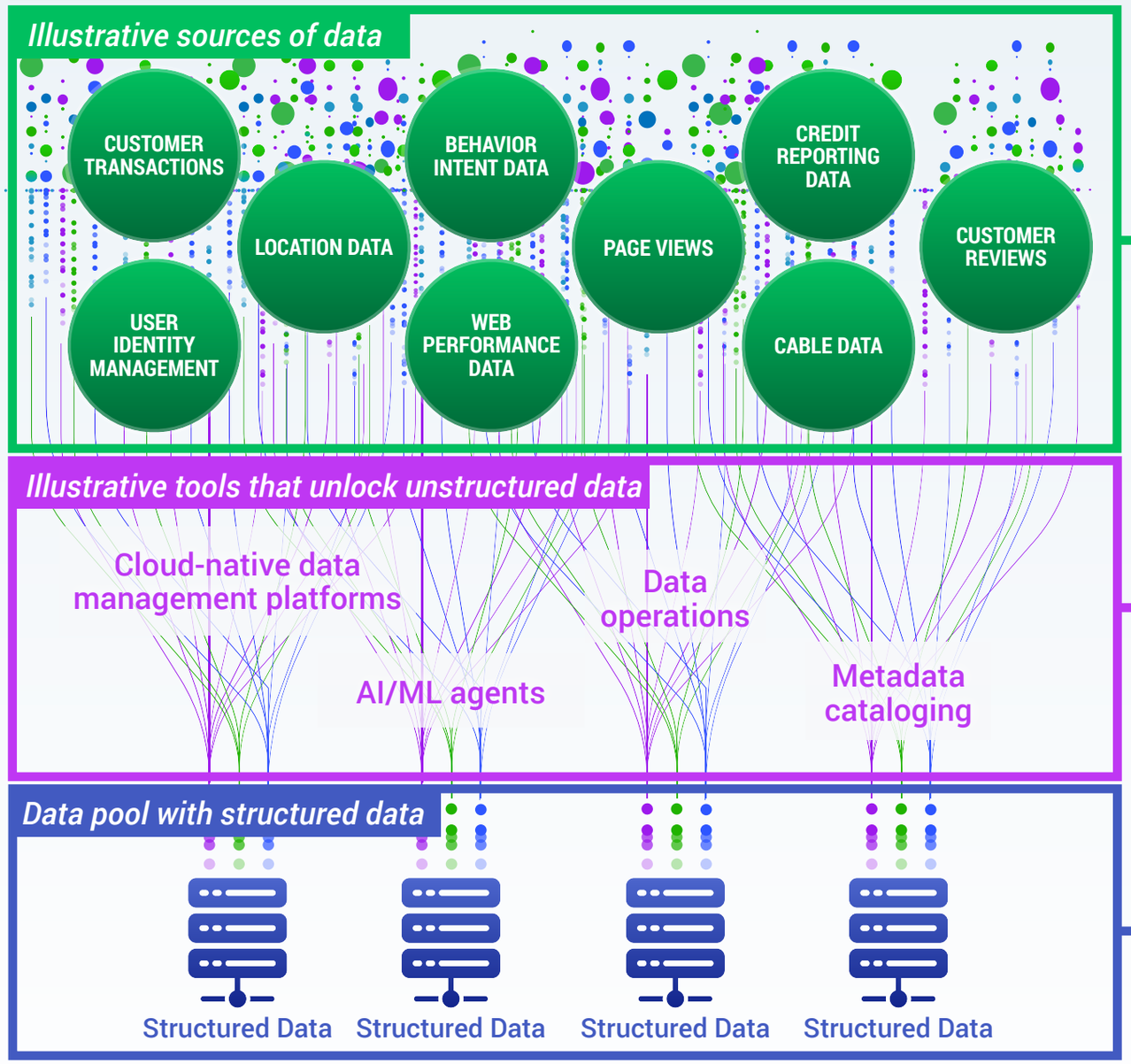
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The opportunity for B2C companies to build lasting competitive advantage through a comprehensive data strategy is stronger than ever before

HISTORICALLY



TODAY



KEY CHANGES

EXPLODING VOLUME OF DATA:

Increasing volume (growing 10x between 2020-2030) and types of data, with the vast majority (~90%) unstructured

SMARTER, FASTER TOOLS:

Smarter (powered by AI), more cost-efficient tools available to capture and structure data quickly (up to 3x faster with generative AI)

RESULT:

Companies that master data structuring gain a sustained competitive edge through smarter decisions, sharper personalization, and more efficient operations

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Sources: Activate analysis, Bloomberg Intelligence, EMC, International Data Corporation, UBS

Building a winning data strategy and operation requires a full lifecycle approach, starting with the most critical step of defining clear business objectives

ACTIVATE'S DATA STRATEGY LIFECYCLE FOR B2C COMPANIES

1. PRIORITIZE AND SET OBJECTIVES (The "Why")

- **Define business goals** (e.g., customer retention, operational efficiency, compliance)
- **Identify key decisions and KPIs that data should support** (e.g., overall revenue growth, new customer acquisition)
- **Map objectives to use cases** (e.g., churn prediction, media optimization, supply chain visibility, risk analysis)

Critical and often overlooked step

Principle: Data is only valuable when tied to clear objectives

2. CAPTURE DATA BROADLY (The "What")

Ingest data across:

- **Direct audience/user data** (e.g., customer transactions, CRM, app interactions, support logs)
- **Platform/operational data** (e.g., audience platform data, ad server data, strategic partnerships)
- **Third-party data** (e.g., location data, behavioral data, transaction data)
- **"Data in the wild"** (i.e., data from the Open Web)

Principle: Capture broadly but selectively, focusing on data that aligns with objectives

3. STRUCTURE DATA (The "How")

- **Centralize data** (e.g., cloud data lake, CDP)
- **Standardize data** (e.g., schema alignment, consistent identifiers)
- **Enrich data** (i.e., using AI/ML to clean, normalize, and enhance raw data)
- **Establish governance and compliance protocol** (e.g., metadata tagging, access controls)

Principle: Structure determines usability — poorly structured data creates hidden costs

4. ACTIVATE DATA FOR GROWTH (The "Value")

- **Leverage insights for customer personalization and engagement** (e.g., customer journeys, recommendation engines, risk assessment)
- **Monetize data products** (e.g., data-as-a-service partnerships, selling to brokers)
- **Monitor and iterate** (e.g., dashboards, predictive models, anomaly detection)

Principle: Value is realized only when structured data flows back into measurable outcomes

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Source: Activate analysis

Prioritize: B2C companies must define clear objectives that anchor their data strategy to measurable outcomes

ACTIVATE'S FRAMEWORK FOR PRIORITIZING DATA OBJECTIVES FOR B2C COMPANIES

1 Business Objectives

Serve as the "why" behind data capture, structure, and activation

- **Align stakeholders** on clear **goals** that drive prioritization
- Ensure data efforts are tied directly to **measurable business outcomes**

2 Data Objectives

Act as the bridge between strategy and technical execution

- Define the **data capabilities** required (e.g., better visibility, prediction, personalization)
- Clarify what **questions** the data must answer or what **decisions** it must enable

3 Data Initiatives

Lead to measurable outcomes

- Enable **measurable progress** through technology and process implementation
- Create **accountability** by assigning ownership, timelines, and KPIs

ILLUSTRATIVE EXAMPLE

Improve Customer Experience

- Personalize user interactions
  - Design personalized recommendation engine
- Predict customer issues
  - Create real-time churn prediction models
- Forecast customer loyalty and lifetime value
  - Build customer journey analytics / sentiment analysis

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Source: Activate analysis

Capture: In a world of infinite data, B2C companies must cast a wide net while filtering for the signals that are most relevant to their prioritized set of objectives

ACTIVATE'S DATA ECOSYSTEM FOR B2C COMPANIES

DIRECT AUDIENCE

ILLUSTRATIVE EXAMPLES

INDIRECT AUDIENCE

DIRECT AUDIENCE/USER DATA

Full Ownership & Control of Data | High Control, High Trust

- Web & App Analytics/ Interactivity
- Subscriptions & Renewals
- Customer Data Platform
- User Identity Management

THIRD-PARTY DATA

No Ownership & Control of Data | Low Control, Validation Challenges

- Transaction Data
- Location Data
- Credit Reporting Data
- Advanced Audiences / Behavioral Intent Data
- Cable / Set-Top Box / ACR Data

PLATFORM/OPERATIONAL DATA

Partial Ownership & Control of Data | Shared Control, Dependency Risk

- Audience Platform Data
- Ad Server & Exchange Data
- Strategic Partnerships
- Web Performance Data

DATA IN THE WILD (OPEN WEB DATA)

No Ownership & Control of Data | Low Control, Validation Challenges

- Competitive Pricing
- Customer Reviews
- Social Media Posts
- Weather Data / Satellite Imaging

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Note: Not exhaustive.
Source: Activate analysis

Structure: Data operations powered by AI/ML will transform unstructured data into precise, actionable intelligence

ACTIVATE'S DATA OPERATIONS FRAMEWORK FOR B2C COMPANIES

ARTIFICIAL INTELLIGENCE & MACHINE LEARNING

CAPTURE AUDIENCE DATA

- **FIRST-PARTY DATA** (E.G., APP, WEBSITE)
- **DATA FROM AD SERVING PLATFORMS** (E.G., FREEWHEEL, GOOGLE AD MANAGER)
- **PLATFORM-SPECIFIC SIGNALS** (E.G., APP USAGE FREQUENCIES, REFERRAL SOURCES FOR WEB)

CENTRALIZE & STRUCTURE DATA

- **METADATA/DATA TAGGING** (MAKING DATA COMPLETE, CONSISTENT, AND STREAMLINED)
- **USER PROFILE UNIFICATION** (E.G., FIRST-PARTY, INFERRED)
- **DATA GOVERNANCE & COMPLIANCE PROTOCOL**

ENRICH DATA

- **THIRD-PARTY DATA** (E.G., NIELSEN, COMSCORE)
- **DATA IN THE WILD** (OPEN WEB DATA)

EXTRACT ACTIONABLE INSIGHTS

- **AD SENSITIVITY**
- **ENGAGEMENT** (E.G., TIME SPEND, CONSUMPTION)
- **ACQUISITION** (E.G., UNIQUE VISITORS, TRANSACTIONS))

CREATE AUDIENCE SEGMENTS

- **UNIQUE MICRO-SEGMENTS**

FOR EXAMPLE:

- VIDEO GAME SUPER USERS INTERESTED IN FASHION & BEAUTY
- TRAVEL ENTHUSIASTS INTERESTED IN COOKING

ACTIVATE DATA FOR GROWTH

ACTIVATE PROPRIETARY INSIGHTS

- **POWERING A COMPANY'S COMPETITIVE EDGE**
- **PACKAGING DATA FOR ADVERTISERS/ BROKERS**
- **IMPROVING TARGETING FOR MARKETING CAMPAIGNS**

See next slide for detail

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Source: Activate analysis

Activate for Growth: Companies that transform audience profiles into actionable insights will unlock loyalty, growth, and entirely new revenue streams

ILLUSTRATIVE UNIFIED AUDIENCE PROFILE FOR A B2C COMPANY

ACTIVATE PROPRIETARY INSIGHTS

ILLUSTRATIVE EXAMPLE

USER DEMOGRAPHICS

PROFILE

- Male
- Aged 26
- $80K annual household income
- Resident of Austin, TX
- Bachelor's degree
- Single
- Renter
- No kids

CONSUMER ENGAGEMENT WITH B2C COMPANY

WEB & APP ENGAGEMENT

- 15 weekly minutes on website
- 1 weekly view on app

CONTENT ENGAGEMENT

- 50 weekly minutes of podcast consumption
- Liked recent Instagram post

COMMERCE ENGAGEMENT

- 5 add-to-cart actions in the last week
- Wishlist created labeled "Fall"

AD ENGAGEMENT

- Clicked an ad for Nike shoes
- Viewed an ad for the Apple iPhone Air

MEDIA HABITS

WEB BEHAVIOR

- 40 daily minutes on TikTok
- $200 in TikTok Shop transactions per month

OTHER MEDIA BEHAVIOR

- Daily true crime podcast listener
- Hulu and Netflix subscriber

TRANSACTIONAL TRENDS

MAJOR FINANCIAL MILESTONES

- Recently finished paying off car loan
- Opened new brokerage account in the last 6 months

PURCHASING BEHAVIORS

- Adopted a dog in the last year
- Purchased a luxury watch in the last year

BEHAVIORAL & PSYCHOGRAPHIC PROFILE

CONSUMER SENTIMENTS

- Buys brands promoted by influencers
- First adopter of new technology

PSYCHOLOGICAL DRIVERS

- Anxious about saving for a down payment on a home
- Values being ahead of trends

CONTEXTUAL SIGNALS

CONTENT-BASED SIGNALS

- Visited multiple blogs on travel destinations
- Read articles on best running shoes

PURCHASE INTENT SIGNALS

- Searched for top backpacks under $200
- Searched for pet insurance with the best value

EXAMPLE OUTCOMES

Increased purchase volume & brand loyalty

Enhanced packaging of data products for monetization

Improved marketing spend efficiency

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Note: Not exhaustive.
Source: Activate analysis

Industry-specific AI solutions are emerging as the next frontier, reshaping how companies capture, structure, and activate data

EXAMPLES OF VERTICALIZED AI DATA TOOLS

PRODUCT ANALYTICS

CONVIVA

Amplitude

- **Connects user behavior** with **system performance** to derive a comprehensive view of **strengths** and **pain points**
- **Uses machine learning** to auto-detect **anomalies**, **generate predictions**, and **summarize user sessions**

VALUE DELIVERED:

Prediction models *that surface patterns lead to* ***faster responses*** *and* ***smarter decisions***

PRICE MERCHANDISING

Minderest

Prisync

- **Monitors competitors** across sales channels, **synthesizing pricing trends** and informing merchants on **market trends**
- Automatically **adjusts product prices** based on **competitor pricing**, **cost-plus margins**, and **stock availability**

VALUE DELIVERED:

Holistic pricing strategies *achieve* ***higher sales*** *and* ***margins***

AUDIENCE RETENTION

Circana.

NielsenIQ

- Creates **user segments** based on **engagement patterns,** identifying behaviors correlating with **churn or long-term retention**
- Offers **personalized experiences**, leading to increased **session duration** and **repeat visits**

VALUE DELIVERED:

More detailed understanding of ***customers increases brand loyalty*** *and* ***attention***

ADVERTISING & MARKETING

Meta Advantage+

salesforce marketing cloud

- **Continuously monitors** and **optimizes campaigns**, ensuring optimal performance without manual intervention
- **Leverages real-time, predictive analytics** to boost ROI and **deliver more relevant customer experiences**

VALUE DELIVERED:

Higher level of ***personalization*** *creates more* ***engaged consumers*** *with a* ***higher propensity to convert***

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Sources: Activate analysis, Company press releases, Company sites

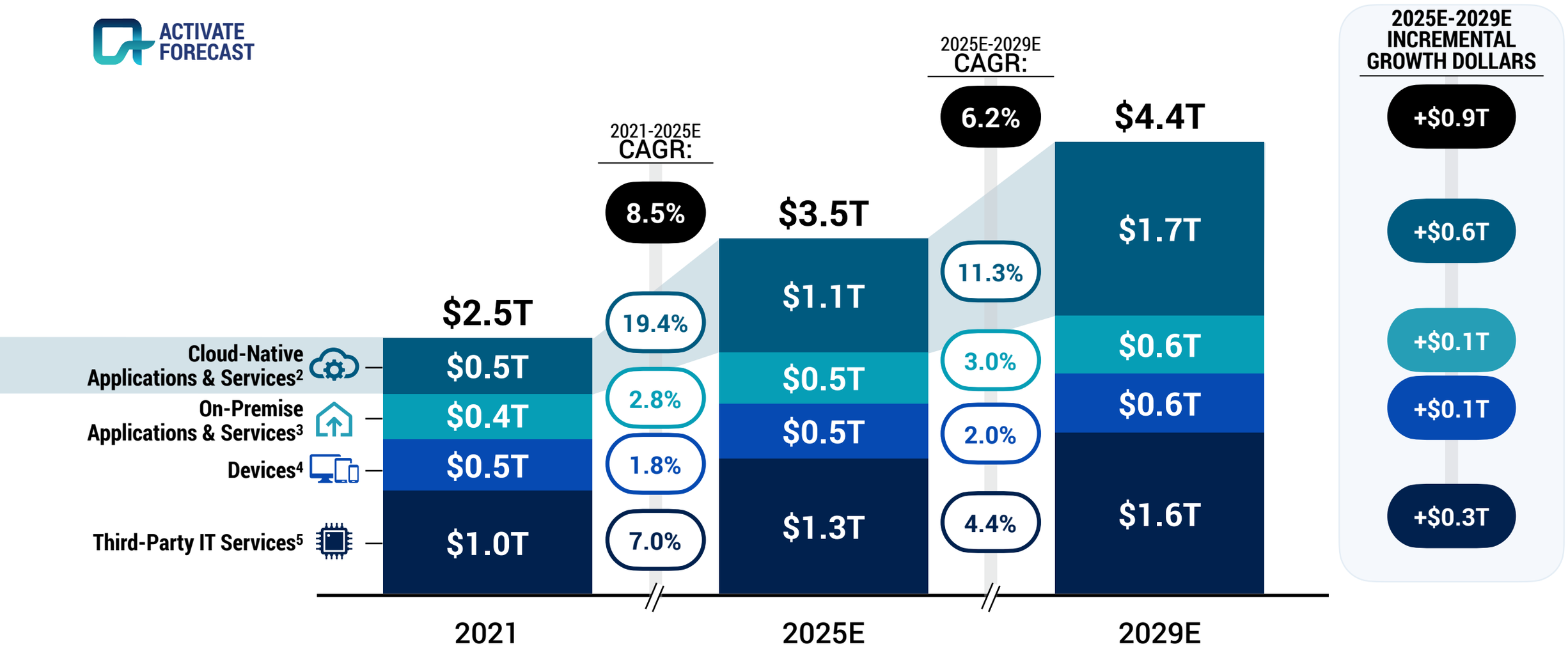


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THE C-SUITE PERSPECTIVE: ENTERPRISE AI GROWTH AND VALUE

We forecast that companies will spend an additional $900B on technology by 2029, the majority of which will be captured by cloud-native applications and services (notably including AI-centric software, infrastructure, and enablers)

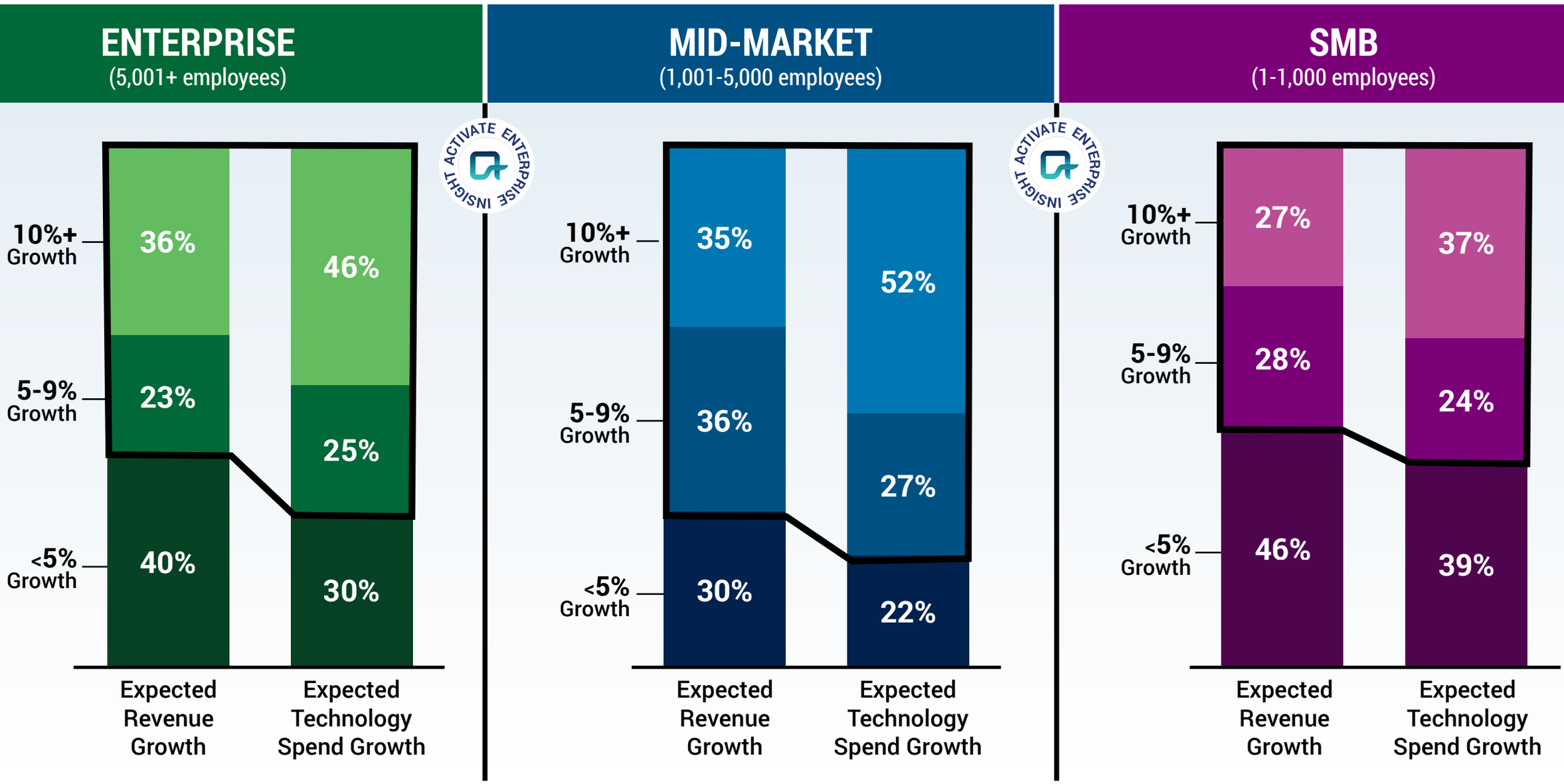
B2B TECHNOLOGY SPEND BY CATEGORY[1], GLOBAL, 2021 VS. 2025E VS. 2029E, TRILLIONS USD



1. Figures do not sum due to rounding. 2. “Cloud-native applications & services” is defined as software, data storage, and compute hosted on a public cloud platform or remote data center. 3. “On-premise applications & services” is defined as software, data storage, and compute hosted on-site, including servers and enterprise network equipment. 4. “Devices” is defined as PCs, mobile phones, tablets, and printers in the enterprise. 5. “Third-party IT services” is defined as any service offering that assists enterprises in implementing, managing, and operating software, systems, and equipment used in modern IT environments. Does not include the software, storage, and devices themselves.
Sources: Activate analysis, Analysys Mason, Company filings, Forrester, Fortune Business, Gartner, HG Insights, IBISWorld, International Data Corporation, Precedence Research, Synergy Research Group

Enterprise decision makers expect their companies' technology spend to grow faster than revenues over the next five years

EXPECTED REVENUE GROWTH VS. EXPECTED TECHNOLOGY SPEND GROWTH IN THE NEXT FIVE YEARS[1],
U.S., 2025, % COMPANIES BY SIZE



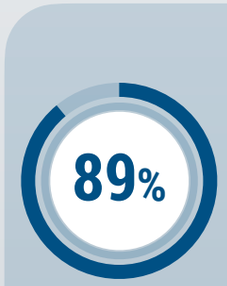
1. Figures do not sum to 100% due to rounding.
Sources: Activate analysis, Activate 2025 Technology Decision Maker Research Study (n = 732)

Companies of all sizes plan to increase technology spend in the next five years; AI capability adoption will be the leading driver of spend growth

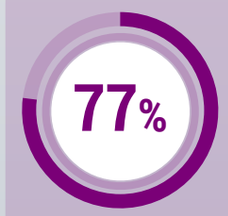
EXPECTATIONS TO INCREASE TECHNOLOGY SPEND IN THE NEXT FIVE YEARS, U.S., 2025, % COMPANIES BY SIZE



of **Enterprise Buyers** (5,001+ employees) expect to increase technology spend in the next five years

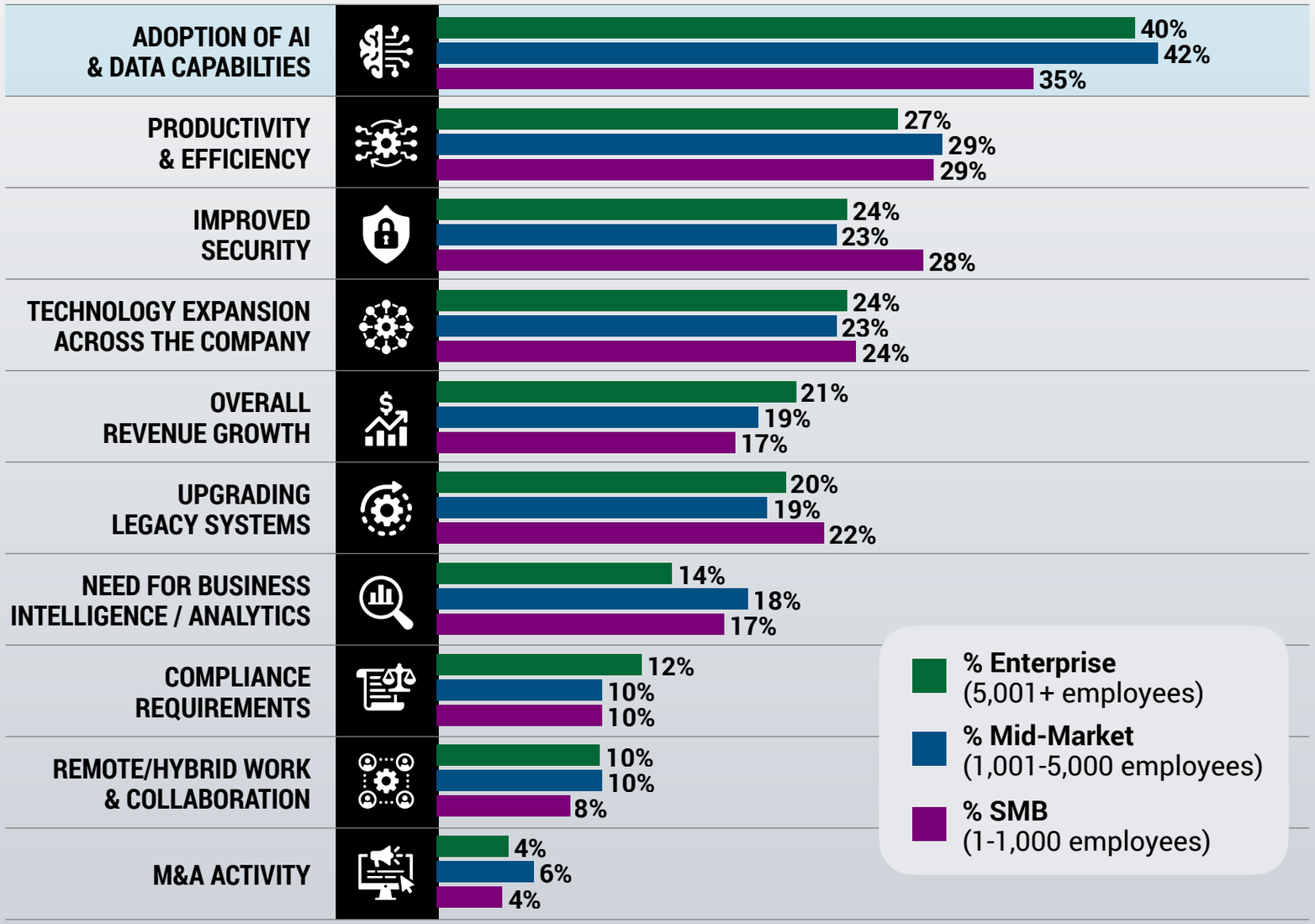


of **Mid-Market Buyers** (1,001-5,000 employees) expect to increase technology spend in the next five years



of **SMB Buyers** (1-1,000 employees) expect to increase technology spend in the next five years

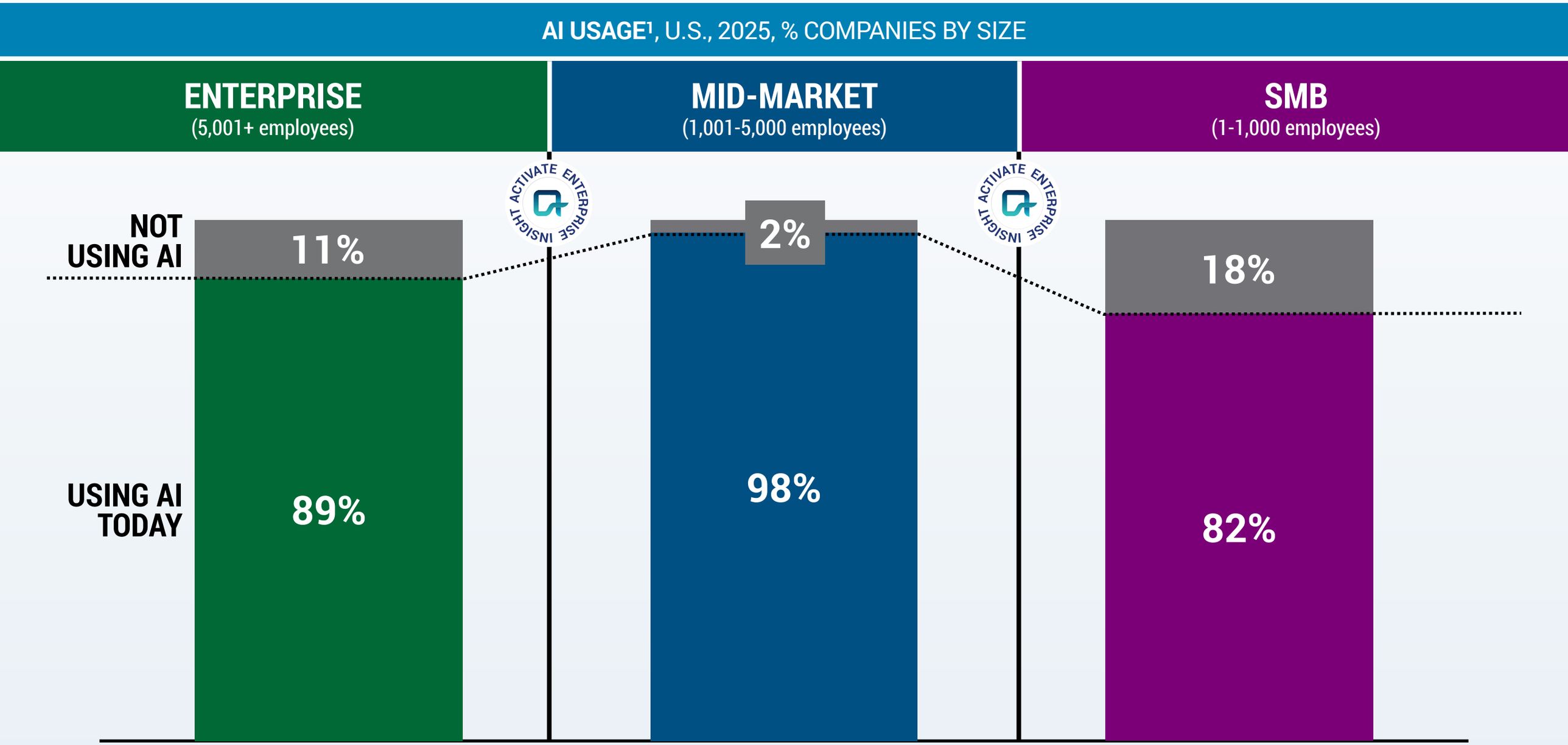
TOP REASONS[1] WHY TECHNOLOGY SPEND IS EXPECTED TO INCREASE, U.S., 2025, % COMPANIES THAT EXPECT TO INCREASE TECHNOLOGY SPEND IN THE NEXT FIVE YEARS BY SIZE



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1. Respondents were asked to select up to two top reasons.
Sources: Activate analysis, Activate 2025 Technology Decision Maker Research Study (n = 732)

Since the great majority of companies already use AI in some form, growth will come from expanded usage and use cases across their organizations

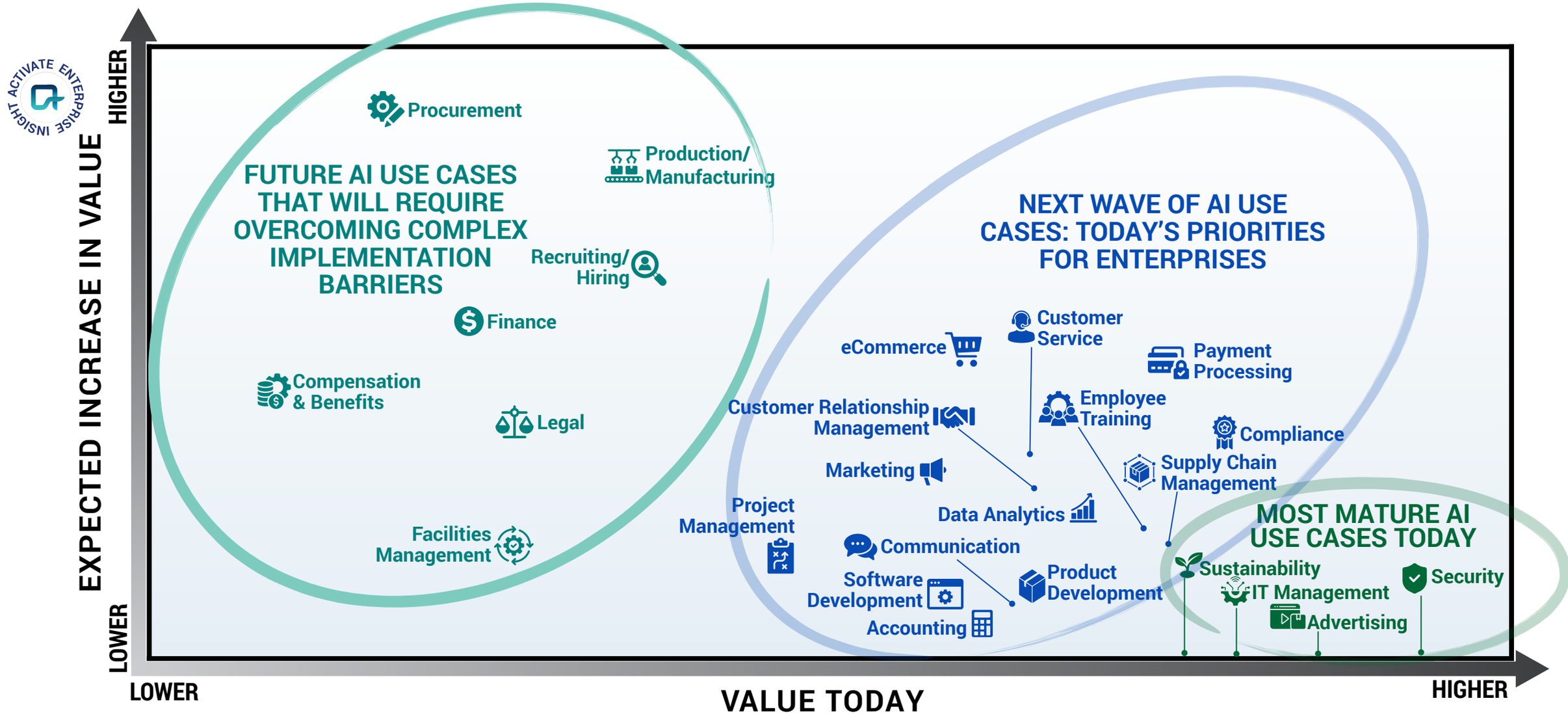


1. "AI usage" includes licensing access to use large language models, using AI functions included in general-purpose productivity software suites, using AI-enabled features offered by functional/vertical-specific solutions, using new AI-native software, or building/developing custom AI models.
Sources: Activate analysis, Activate 2025 Technology Decision Maker Research Study (n = 732)

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Software providers and AI developers will prioritize building solutions for today's competitive AI battlegrounds (use cases that are less mature today, but are expected to deliver high future value)

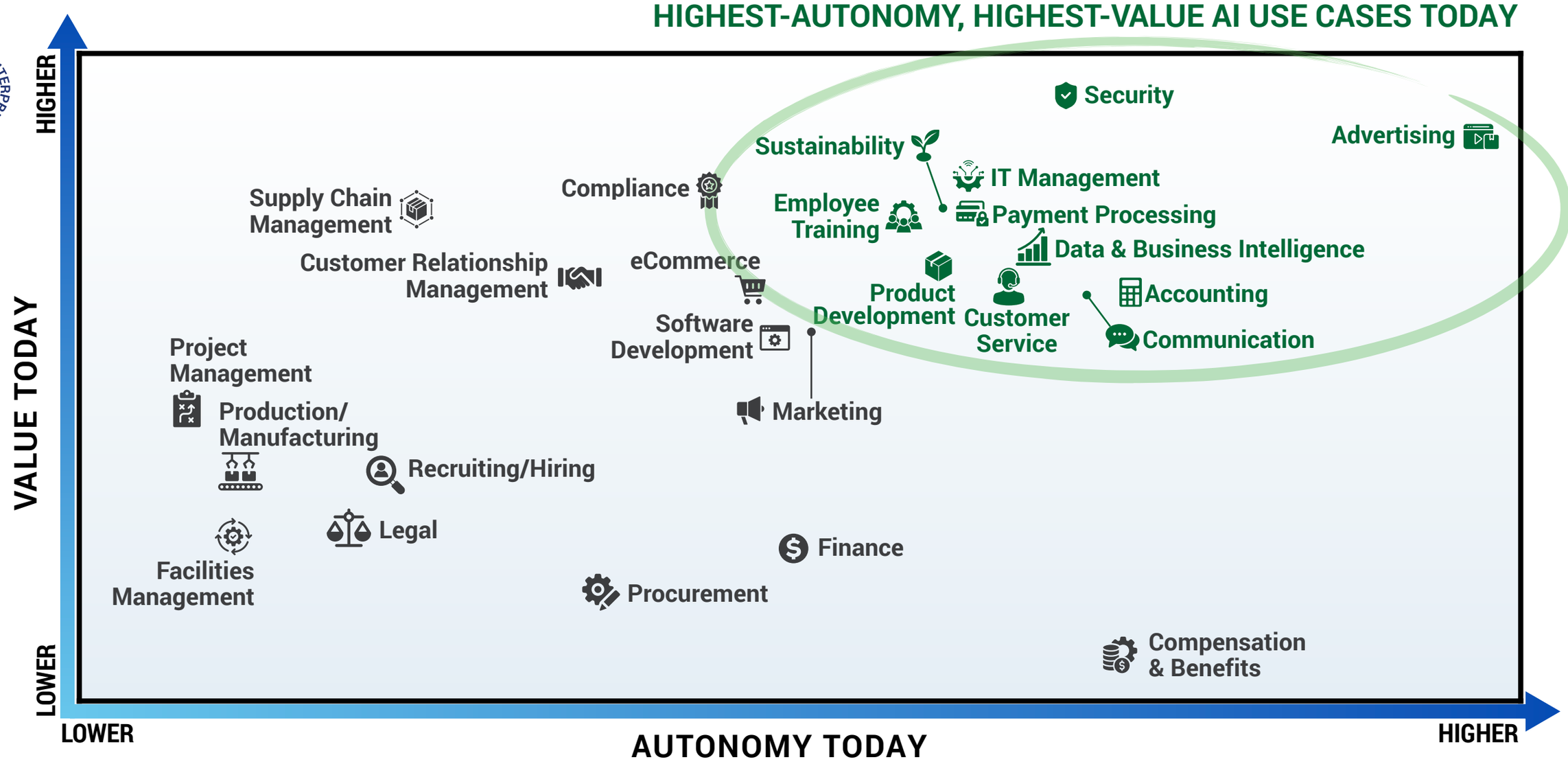
ENTERPRISE COMPANY[1] PERCEIVED AI VALUE[2] TODAY VS. EXPECTED GROWTH IN PERCEIVED AI VALUE OVER NEXT FIVE YEARS[3] BY FUNCTION/DEPARTMENT, U.S., 2025



1. Includes companies with more than 5,000 employees. 2. "Perceived AI value" is specified as ROI or productivity/efficiency gains from AI adoption/investment to enterprise respondents. 3. "Expected growth in perceived AI value over next five years" is specified as growth of expected ROI or productivity/efficiency gains from AI adoption/investment to enterprise respondents over the next five years.
Sources: Activate analysis, Activate 2025 Technology Decision Maker Research Study (n = 732)

Enterprises view AI deployment focused on autonomy (i.e., agentic capabilities) as the most valuable, driving the continuous acceleration of technology spend

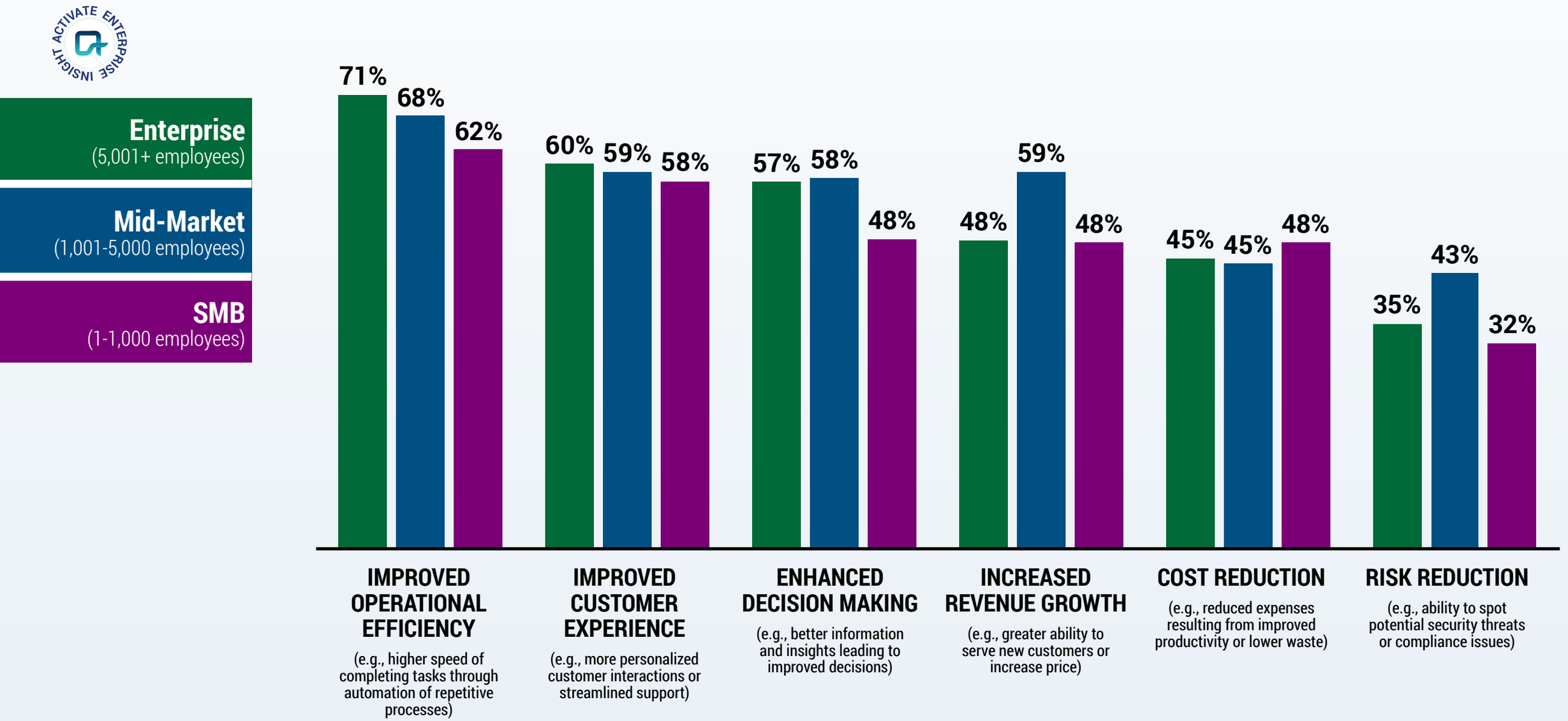
ENTERPRISE COMPANY[1] PERCEIVED AI AUTONOMY[2] VS. PERCEIVED AI VALUE[3] BY FUNCTION/DEPARTMENT, U.S., 2025



1. Includes companies with more than 5,000 employees. 2. "Perceived AI autonomy" is specified as the ability to automate and run tasks independently, with little human intervention or interaction. 3. "Perceived AI value" is specified as ROI or productivity/efficiency gains from AI adoption/investment to enterprise respondents.
Sources: Activate analysis, Activate 2025 Technology Decision Maker Research Study (n = 732)

Companies of all sizes adopt AI expecting a broad set of outcomes across operating efficiencies, customer experience, decision making, and revenue growth

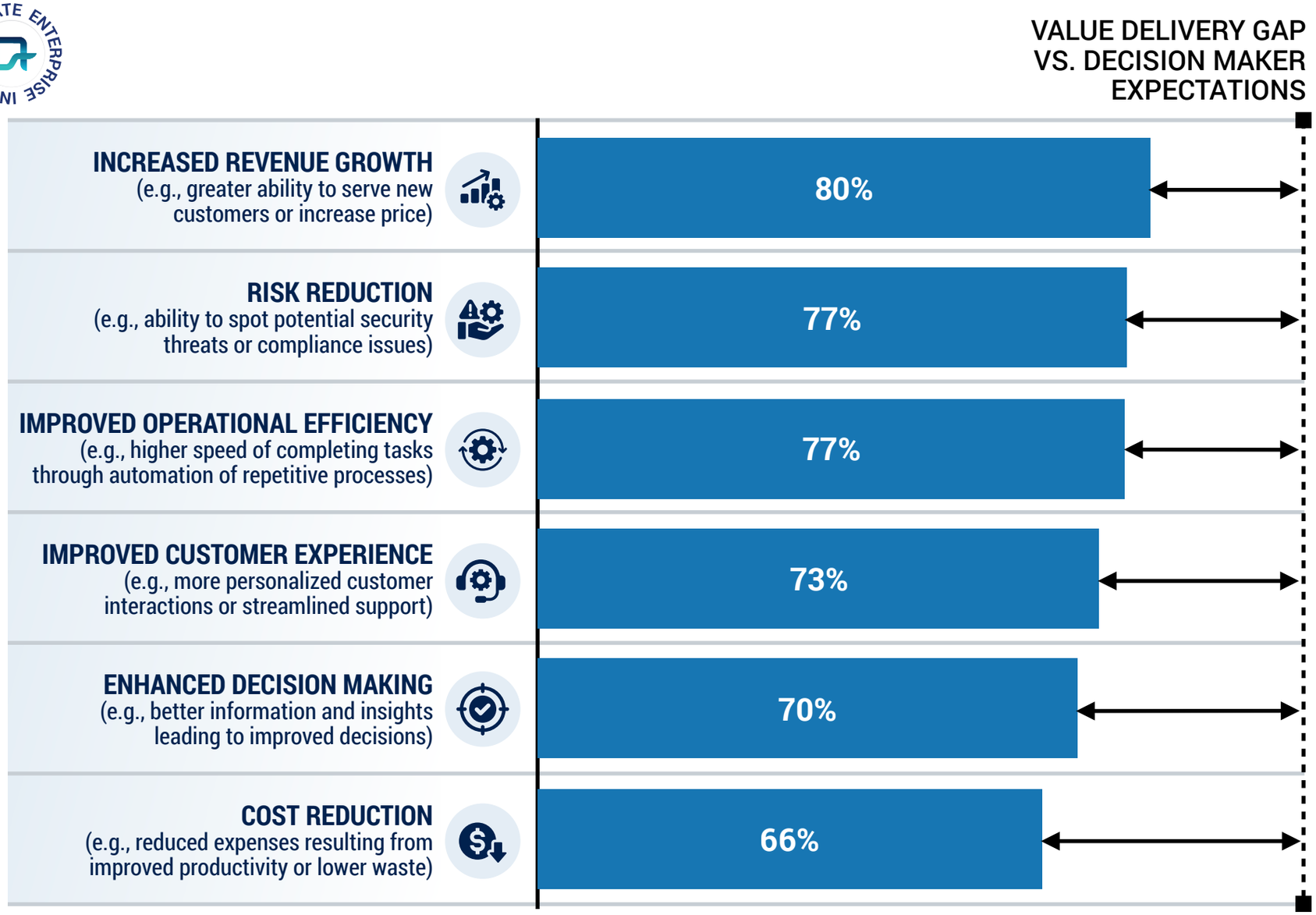
EXPECTED OUTCOMES FROM AI ADOPTION, U.S., 2025, % COMPANIES THAT ARE USING AI[1] BY SIZE



1. "Using AI" includes licensing access to use large language models, using AI functions included in general-purpose productivity software suites, using AI-enabled features offered by functional/vertical-specific solutions, using new AI-native software, or building/developing custom AI models.
Sources: Activate analysis, Activate 2025 Technology Decision Maker Research Study (n = 732)

Enterprise decision makers will set a high bar for value realization on AI investments

SHARE OF COMPANIES THAT PERCEIVE AI TO EFFECTIVELY DELIVER EACH OUTCOME[1],
U.S., 2025, % COMPANIES EXPECTING EACH OUTCOME



ADDRESSING THE AI VALUE DELIVERY GAP

- **Gaps in AI value delivery** will result in perceptions that AI adoption is **not driving efficiency across the full enterprise** (while still delivering outcomes for specific functions)
- As a result, **only 5%** of companies believe that their AI projects **deliver sustained, measurable P&L impact**
- Addressing this value gap will be **critical to drive long-term enterprise value from AI**, which is a necessary prerequisite to **sustain and accelerate investment**

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1. Represents the share of companies expecting each outcome that indicate AI delivers it extremely or very effectively today.
Sources: Activate analysis, Activate 2025 Technology Decision Maker Research Study (n = 732), MIT NANDA

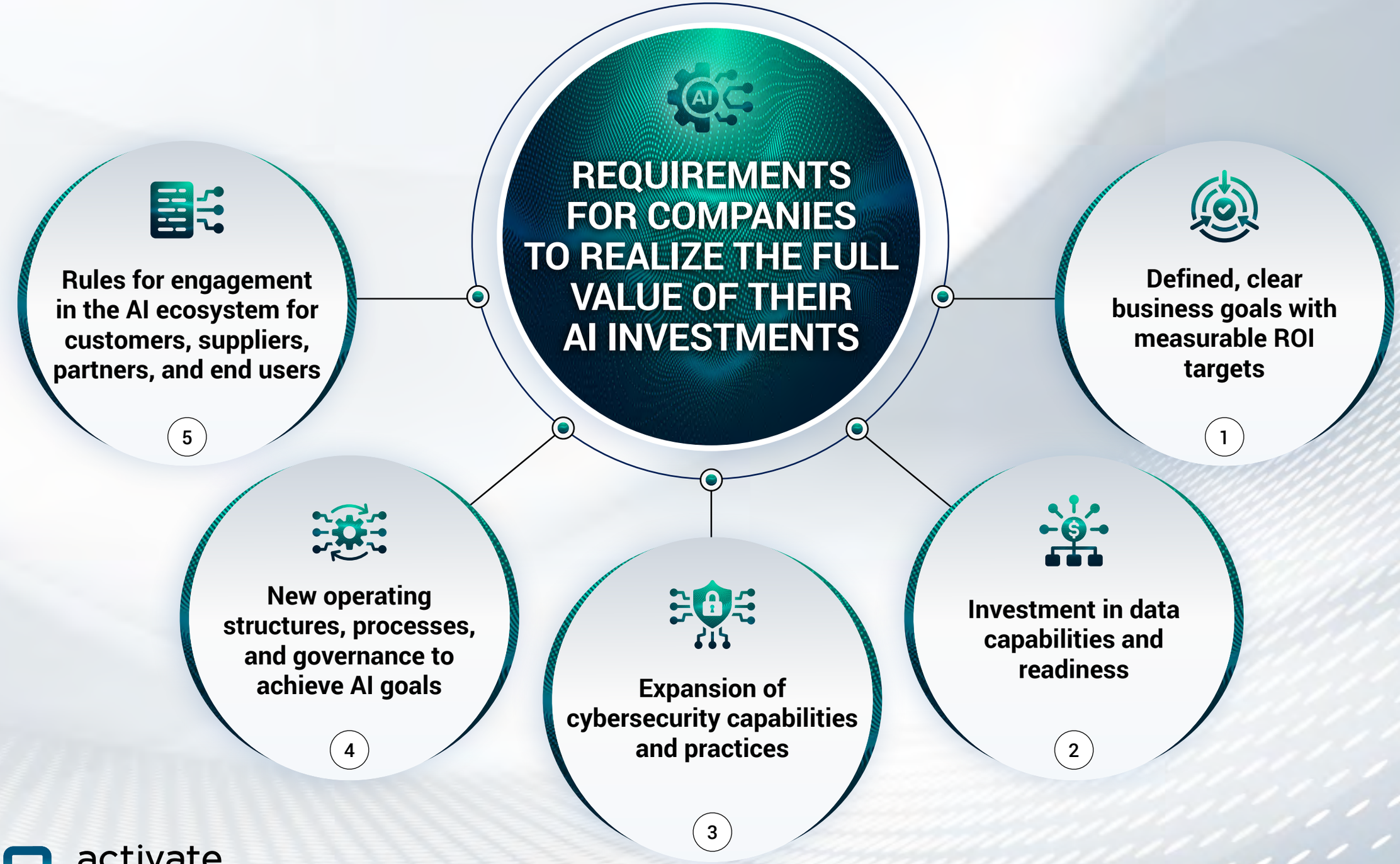


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THE ENTERPRISE AI PLAYBOOK

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To maximize the value of AI investments, all companies will need to set clear, measurable ROI targets, adopt data and security capabilities, and establish new operating frameworks for their businesses and ecosystem relationships

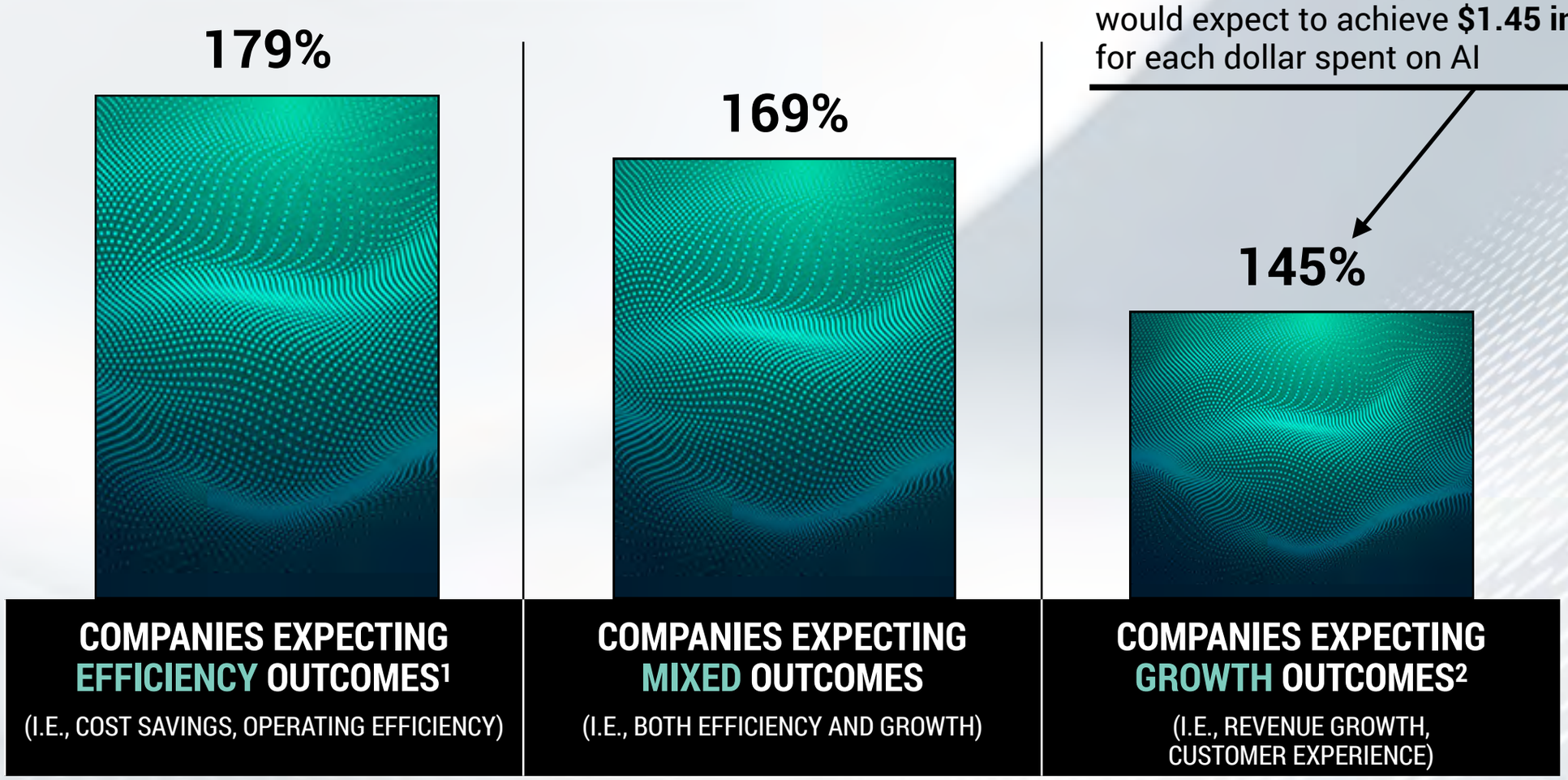


Source: Activate analysis



Enterprise decision makers now expect tangible value from their AI investments; companies need to clearly define and measure AI outcomes to achieve sustained ROI

ROI EXPECTATIONS FROM AI INVESTMENTS BY EXPECTED OUTCOMES, U.S., 2025, % ROI



1. Includes respondents who indicate they expect AI investments to deliver either cost savings or operating efficiency, but not increased revenue growth or improved customer experience. 2. Includes respondents who indicate they expect AI investments to deliver either revenue growth or improved customer experience, but not cost savings or operating efficiency.
Sources: Activate analysis, Activate 2025 Technology Decision Maker Research Study (n = 732)



The majority of companies lack data maturity today and do not have critical analytics, storage, or data management capabilities to make most effective use of AI investments

SHARE OF COMPANIES AT DATA MATURITY, U.S., 2025,% COMPANIES BY SIZE

COMPANIES THAT HAVE ADOPTED SOLUTIONS ACROSS ANALYTICS, STORAGE, AND MANAGEMENT ARE AT DATA MATURITY

34% OF ENTERPRISE COMPANIES (5,001+ employees)

32% OF MID-MARKET COMPANIES (1,001-5,000 employees)

20% OF SMB COMPANIES (1-1,000 employees)

MINIMUM VIABLE CAPABILITIES TO ACHIEVE DATA MATURITY AND MAXIMIZE VALUE OF AI INVESTMENTS

CAPABILITIES/TOOLS[1]	VALUE FOR AI INVESTMENTS
DATA ANALYTICS **BUSINESS INTELLIGENCE & DATA VISUALIZATION** DOMO, Looker, Power BI, tableau from Salesforce	• **Automate data processing** to uncover **hidden insights** and make more **informed decisions** • Create **clear visualizations** from complex datasets, **improving accessibility** of data investments
DATA STORAGE **DATA WAREHOUSES & LAKES** BigQuery, snowflake, databricks **STRUCTURED/UNSTRUCTURED DATABASES** DynamoDB, Couchbase, mongoDB	• **Unify data sources** into a single source that can be **queried for analysis** and **AI-based processing** and insights • **Capture raw, unprocessed data where AI can derive insights** from unstructured, disparate data
DATA MANAGEMENT **GOVERNANCE** Alation, Informatica **METADATA** Apache Atlas, Collibra **OBSERVABILITY** DATADOG, dynatrace	• **Provide comprehensive mappings and standardization** to improve data discoverability and categorization • **Track and audit data access, privacy, and security** to ensure appropriate usage and compliance adherence

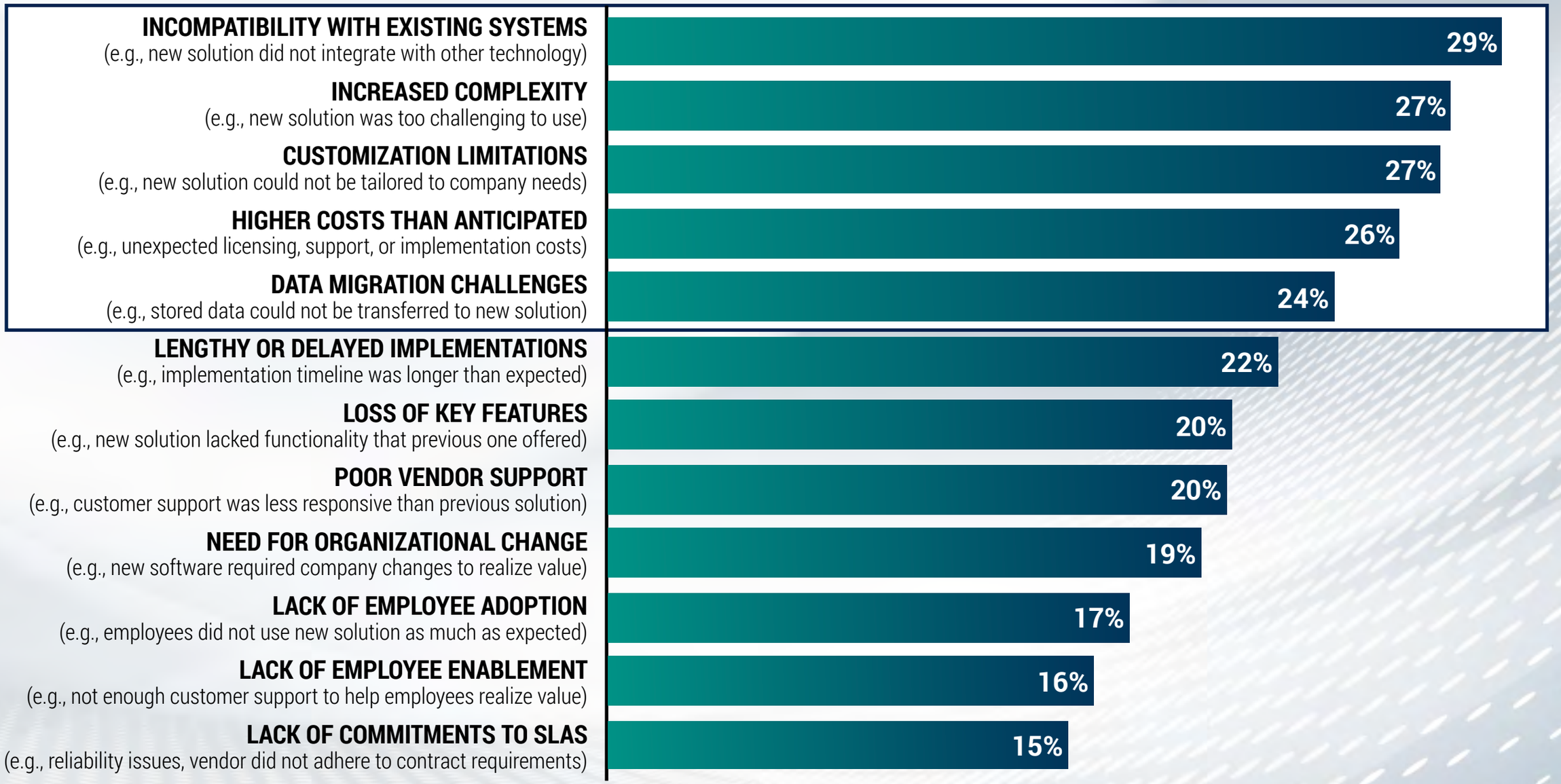
1. Not exhaustive.
Sources: Activate analysis, Activate 2025 Technology Decision Maker Research Study (n = 732)



New deployments must overcome integration, complexity, customization, cost, and data challenges to deliver on value goals

TOP REASONS[1] NEW TECHNOLOGY/SOFTWARE PROVIDES LESS VALUE THAN PREVIOUS SOLUTIONS, U.S., 2025, % COMPANIES





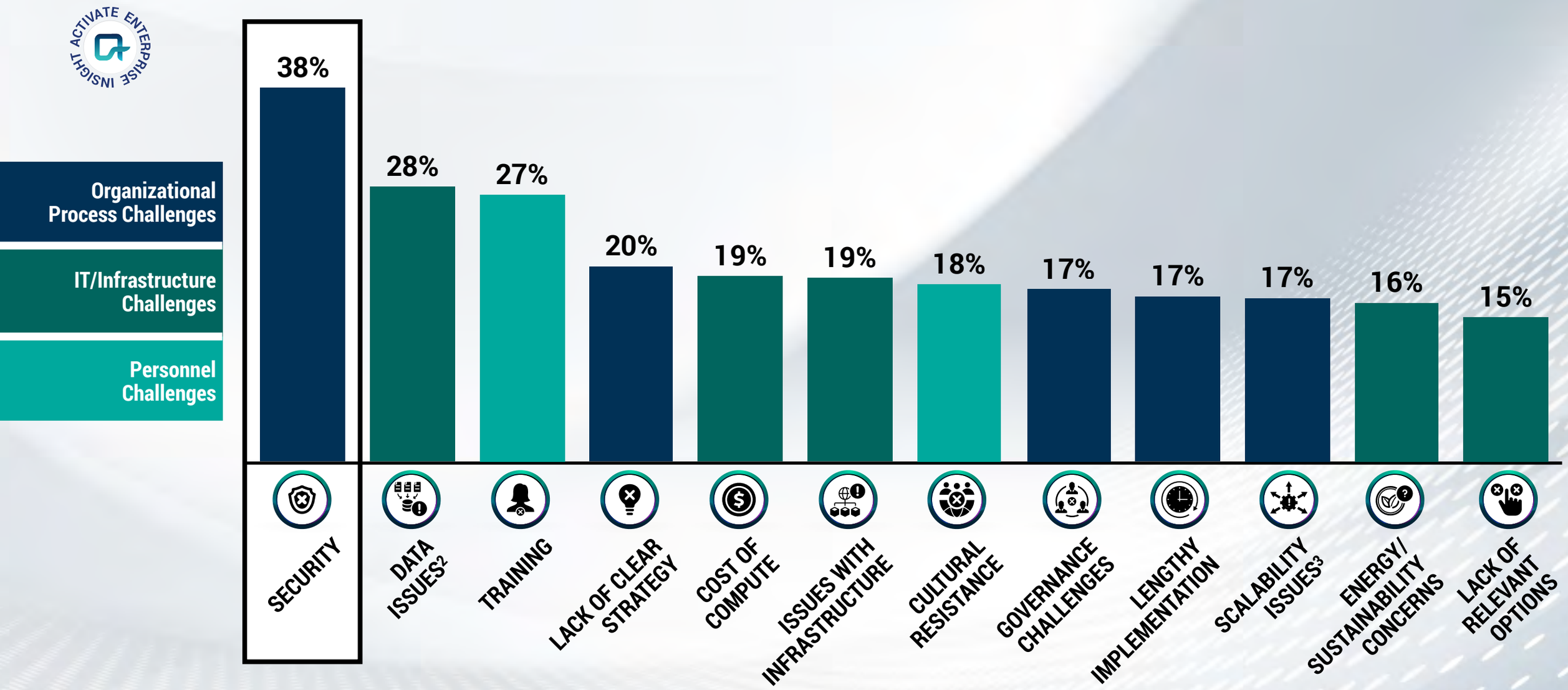
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1. Respondents were asked to select up to three top reasons.
Sources: Activate analysis, Activate 2025 Technology Decision Maker Research Study (n = 732)



Security will remain the most critical issue for companies to unlock and maximize the value of their AI investments

TOP CHALLENGES[1] PREVENTING COMPANIES FROM FULLY REALIZING BENEFITS OF AI, U.S., 2025, % COMPANIES



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1. Respondents were asked to select up to three top challenges. 2. Includes issues with data storage, organization, processing, and governance. 3. Includes AI models not being able to be deployed across the full company.
Sources: Activate analysis, Activate 2025 Technology Decision Maker Research Study (n = 732)



AI deployments will make observability, endpoint security, and identity management the most challenging components of the security operation to address, with high requirements to monitor and secure access

FRAMEWORK FOR SECURITY-CENTRIC AI AND DATA OPERATIONS

ASSET DISCOVERY

Visualizes dependencies, connections, and interactions between all technology assets

EVENT MANAGEMENT & OBSERVABILITY

Provides IT asset and data observability and performance, indicating when technology starts behaving differently to identify vulnerabilities and potential points of failure

DATADOG · dynatrace · new relic. · splunk>

SERVICE MAPPING

Maps how technology assets (by function and location) are performing

NETWORK SECURITY

Protects network infrastructure from unauthorized access or misuse from users without permission

CISCO · FORTINET · paloalto NETWORKS

CRITICAL SECURITY CHALLENGES FOR AI DEPLOYMENTS

- Robust identity and access management for data, models, and applications, incorporating zero-trust principles
- Continuous monitoring/observability and anomaly detection for technology and data infrastructure
- Endpoint security, particularly for APIs/integrations transmitting high data volumes

ENDPOINT SECURITY

Provides protection for entry points to a network (e.g., PCs, mobile devices, IoT devices) to safeguard data transmission and access

cybereason · SOPHOS · SentinelOne

CLOUD SECURITY

Secures cloud-based applications, solutions, and data from external risks

LACEWORK · PRISMA CLOUD · WIZ

THREAT RESPONSE

Mitigates and eliminates threats after detection, using AI for pattern recognition and response improvement

CROWDSTRIKE · HUNTRESS · sumo logic

IDENTITY MANAGEMENT

Ensures that only authorized users have access to view and use systems and data

Auth0 · okta · SailPoint

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Note: Companies shown are not exhaustive.
Sources: Activate analysis, Company press releases, Company sites, Gartner, Nile Security, TechRadar, TechTarget



Enterprises will require new operating structures and governance processes to ensure AI use is monitored, tracked, and evaluated in the context of broader company AI performance

OPERATING STRUCTURE, BUSINESS PROCESSES, AND GOVERNANCE REQUIREMENTS TO MAXIMIZE VALUE OF AI

	MANAGEMENT OF "SHADOW AI"	DOCUMENTATION OF BEST PRACTICES	BOTTOM-UP, DEPARTMENT-LEVEL PILOTS
CHALLENGES	• Personal employee **use of AI capabilities and tools outside of authorized enterprise-level accounts** • **High compliance, security**, and **data management risks**	• AI usage for select department-level use cases, **not documenting any learnings, guidance**, or **success metrics** • Efficiency/productivity increases **not centralized**, **preventing learning and improvement**	• Full-company AI rollouts **without clear objectives** for success and **not tailored to specific use cases** • **Only 5% of AI implementations generate sustained productivity or P&L impact** for the full company
REQUIREMENTS TO ADDRESS	• **Centralized management** of AI capability access, with **governance** to monitor use • **Established practices** to ensure appropriate data use	• Processes to track success of **department-level AI adoptions** • **Centralized data** to share AI impact across the enterprise	• **Clear, tangible AI use cases** for functions and departments, not general enterprise metrics • **AI point solutions** that solve specific needs

Sources: Activate analysis, Fivetran, Forbes, Gallup, MIT NANDA, National Bureau of Economic Research



The AI ecosystem will create a new set of questions and issues for companies as they engage with stakeholders (customers, suppliers, partners, and end users)

MAJOR ISSUES FOR COMPANIES TO ADDRESS WHEN ENGAGING WITH AI ECOSYSTEM PARTICIPANTS

BUYERS

- **Use Cases** (e.g., most relevant applications, highest value potential)
- **Buying Experience** (e.g., more streamlined processes, improved ability to reach decision makers)
- **Data** (e.g., data sharing requirements, tradeoffs)

SUPPLIERS

- **Inputs** (e.g., for product delivery, pricing)
- **Measurement** (e.g., tracking consistency, stages of product lifecycle)
- **Tradeoffs** (e.g., negotiating and pricing dynamics)

CHANNEL PARTNERS & RESELLERS

- **Ideal Partners** (e.g., suitability for use cases, strongest ecosystems)
- **Requirements** (e.g., interoperability, transparency)
- **Approach** (e.g., approach to co-engaging partners, revenue sharing approaches)

END USER PERSONAS

- **End User Experience** (e.g., most impactful AI-based experiences, differentiation)
- **Willingness to Pay** (e.g., value of incremental features, upside expected)
- **Governance** (e.g., identity management, access controls for data)

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Source: Activate analysis

Continued AI adoption and innovation will set companies on the path towards becoming AI-native enterprises, placing AI at the center of their operating model and software stack

PROJECTED FUTURE AI PATHWAYS: ENTERPRISE MOVEMENT TOWARDS AI-CENTRICITY

OPTIMIZING EXISTING OPERATING MODELS FOR NEW AI TOOLS

- Using **new AI features** from **current software**
- Building **baseline data & security capabilities** to achieve **higher ROI from AI tools**

DEVELOPING NEW PROCESSES TO BECOME AN AI-ENABLED ENTERPRISE

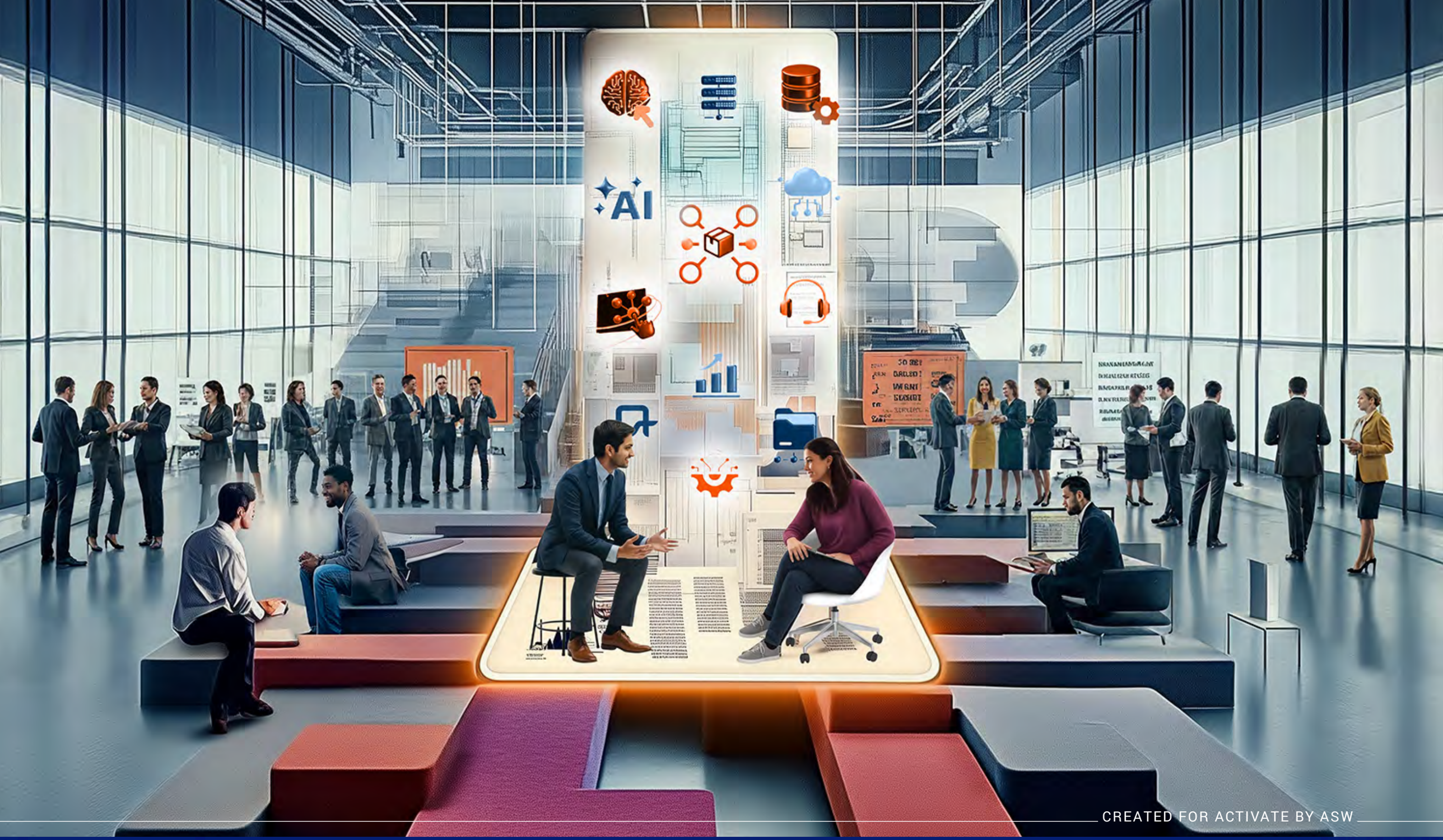
- Adopting **AI-native software** to **replace traditional software vendors**
- Expanding **data infrastructure** to further enhance the **value delivered by AI**

CREATING NEW OPERATING MODELS TO BECOME AN AI-NATIVE ENTERPRISE

- Leveraging AI to **develop custom software stacks** across the full enterprise
- Fully **overhauling business practices to put AI at the center of the enterprise**

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Source: Activate analysis



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SERVING TODAY'S B2B TECHNOLOGY BUYERS: A PLAYBOOK FOR DATA, SOFTWARE, HARDWARE, AND SERVICES COMPANIES

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Data, software, hardware, and services companies will need to tailor go-to-market approaches based on the IT maturity levels of target enterprise customers and buyer personas

ENTERPRISE IT MATURITY FRAMEWORK

Increasing IT maturity means **more formalized processes**, **broader technology needs** across company departments, **higher strategic focus** placed on technology investments, and **more sophisticated buying requirements**

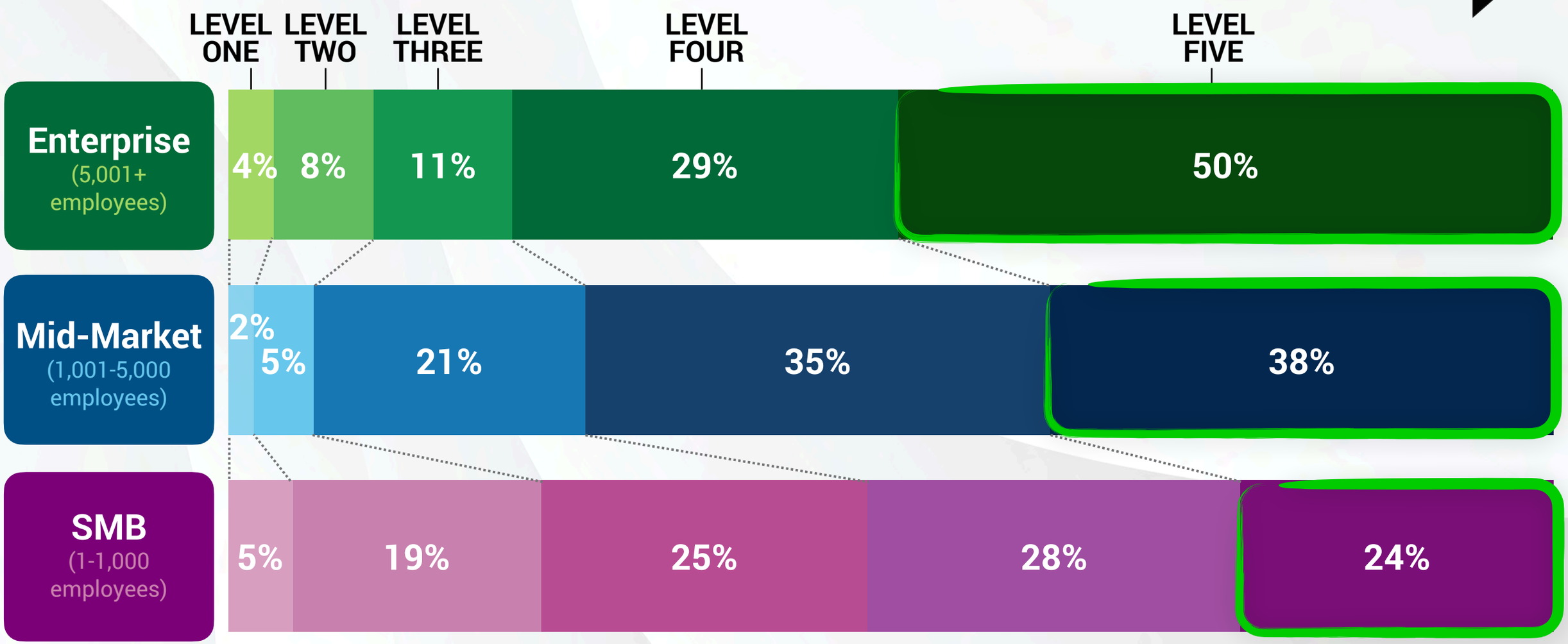
	LEVEL ONE	LEVEL TWO	LEVEL THREE	LEVEL FOUR	LEVEL FIVE
	IT processes are ad hoc and disorganized, with no structure in place	IT processes are in place and organized, but not proactive	IT processes are in place with documentation, and teams can proactively predict issues	IT processes are in place with documentation, and actively aligned with business goals	IT is central to business processes, and receives investment to ensure alignment with business goals
INDUSTRIES OVER-INDEXING AT EACH LEVEL[1]	Education Professional Services	Government Utilities	Construction Hospitality & Travel	Finance Technology	Healthcare Manufacturing

1. IT maturity levels are self-reported by survey respondents.
Sources: Activate analysis, Activate 2025 Technology Decision Maker Research Study (n = 732)

Technology and software sellers will need to define their value positioning and messaging to address the distinct needs of each buyer size and maturity level (which are not always correlated)

IT MATURITY LEVEL[1], U.S., 2025, % COMPANIES BY SIZE

Increasing IT maturity means **more formalized processes**, **broader technology needs** across company departments, **higher strategic focus** placed on technology investments, and **more sophisticated buying requirements**

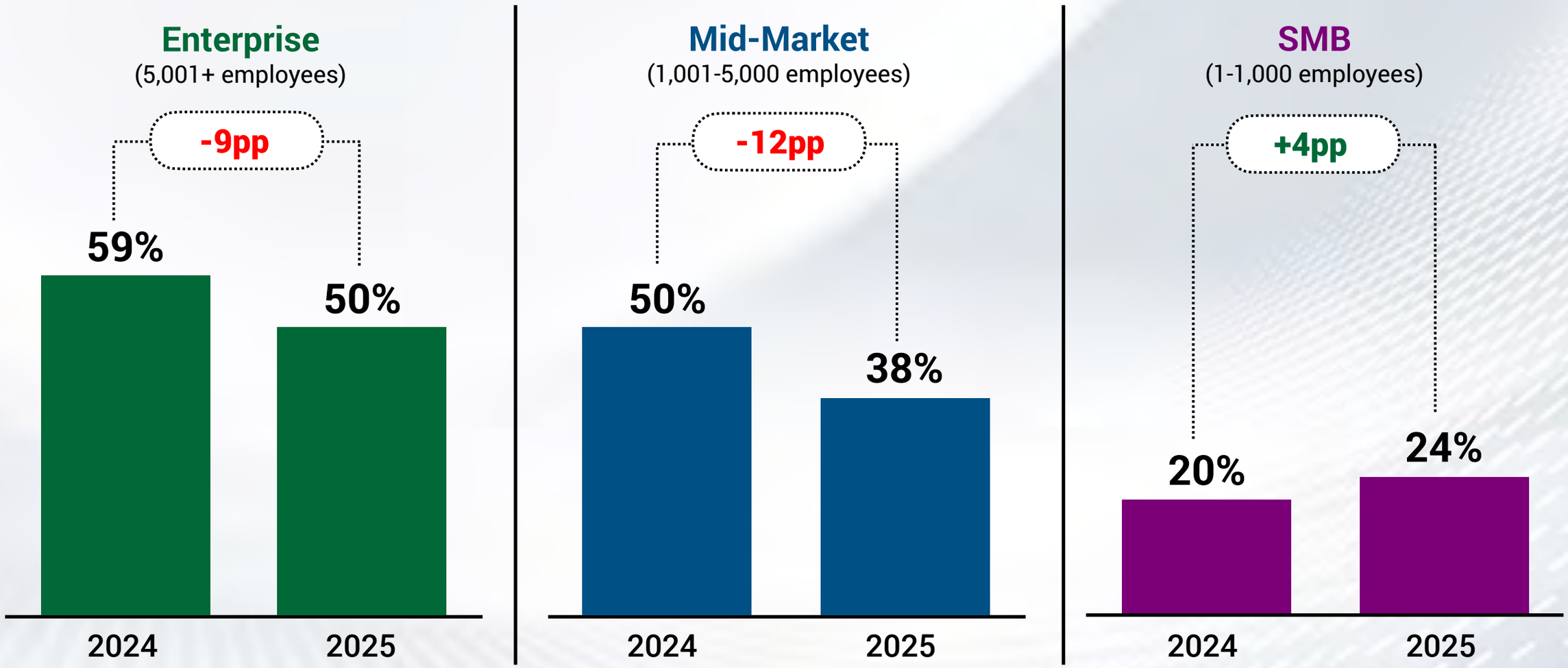


1. IT maturity levels are self-reported by survey respondents. Figures do not sum to 100% due to rounding.
Sources: Activate analysis, Activate 2025 Technology Decision Maker Research Study (n = 732)

Tailored go-to-market playbooks based on customer IT maturity will be even more critical as technology buyers indicate declines in their maturity (a result of ever-increasing requirements)

COMPANIES AT IT MATURITY LEVEL FIVE[1], U.S., 2024 VS. 2025, % COMPANIES BY SIZE

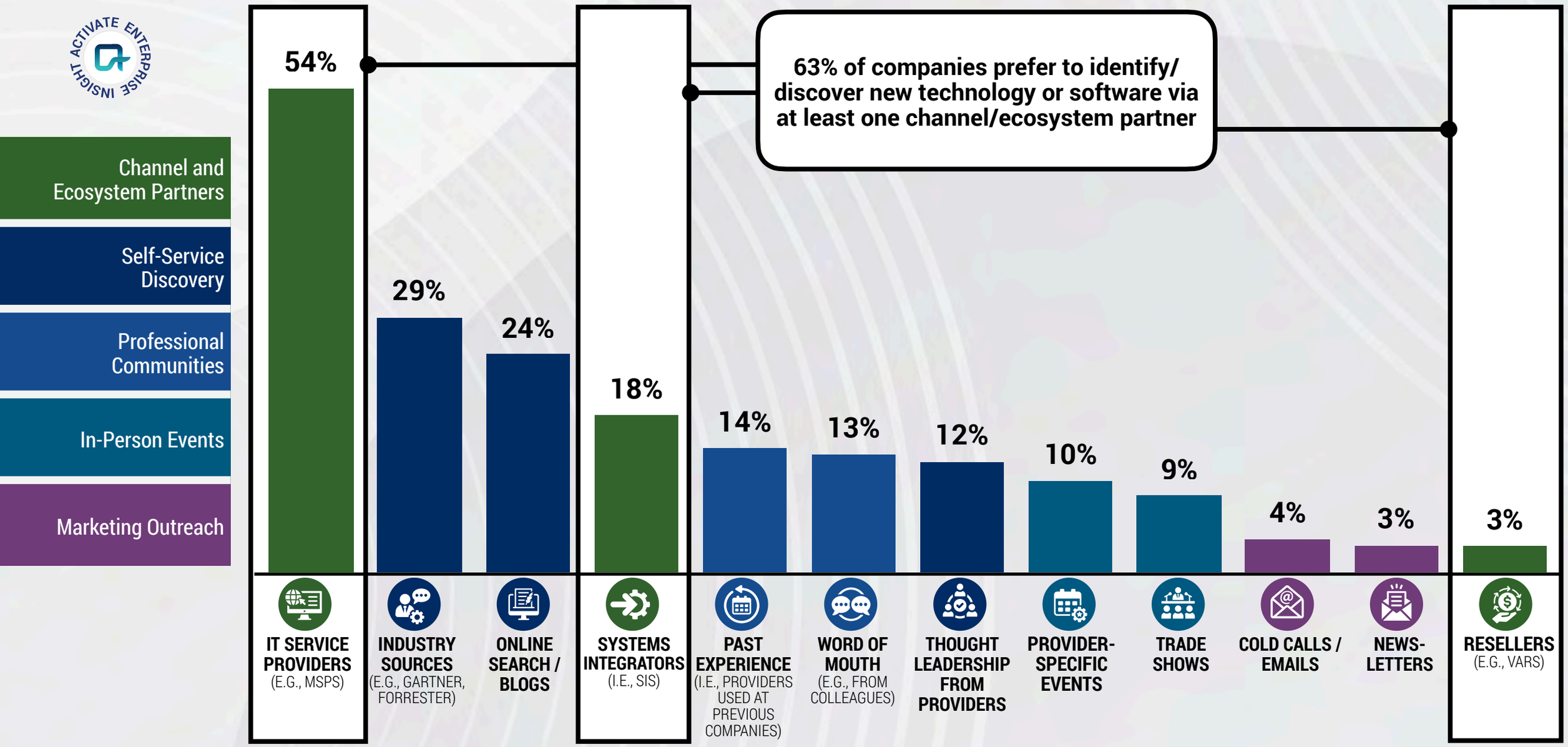
Level Five IT Maturity:
IT is central to business processes, and receives investment to ensure alignment with business goals



1. IT maturity levels are self-reported by survey respondents.
Sources: Activate analysis, Activate 2024 Technology Decision Maker Research Study (n = 336), Activate 2025 Technology Decision Maker Research Study (n = 732)

Software sales will require a multi-channel approach, recognizing that channel and ecosystem partners are the most commonly preferred source for identifying and discovering new technology and software

PREFERRED METHODS[1] OF IDENTIFYING/DISCOVERING NEW TECHNOLOGY/SOFTWARE, U.S., 2025, % COMPANIES



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1. Respondents were asked to select up to two preferred methods.
Sources: Activate analysis, Activate 2025 Technology Decision Maker Research Study (n = 732)

Data, software, hardware, and services companies need to address over 20 decision makers and influencers in a target customer

LEGAL

Ensure compliance with data protection, privacy, and security regulations

END USERS

Confirm software fulfills major use cases, integrates into existing workflows, and offers necessary enablement and training

PROCUREMENT

Evaluate vendor capabilities, negotiate MSA terms, and manage implementation

FINANCE

Scrutinize budget and incremental value delivered compared to existing solutions

THE AVERAGE TECHNOLOGY/ SOFTWARE DECISION INVOLVES

20+

EMPLOYEES

IT

Assess technology, features/ functionality, and security

EXECUTIVE MANAGEMENT

Drive alignment between technology adoption/implementation and overall company strategy

LINE OF BUSINESS LEADERS

Manage spend and software utilization as part of specific departments' P&Ls

CORPORATE STRATEGY

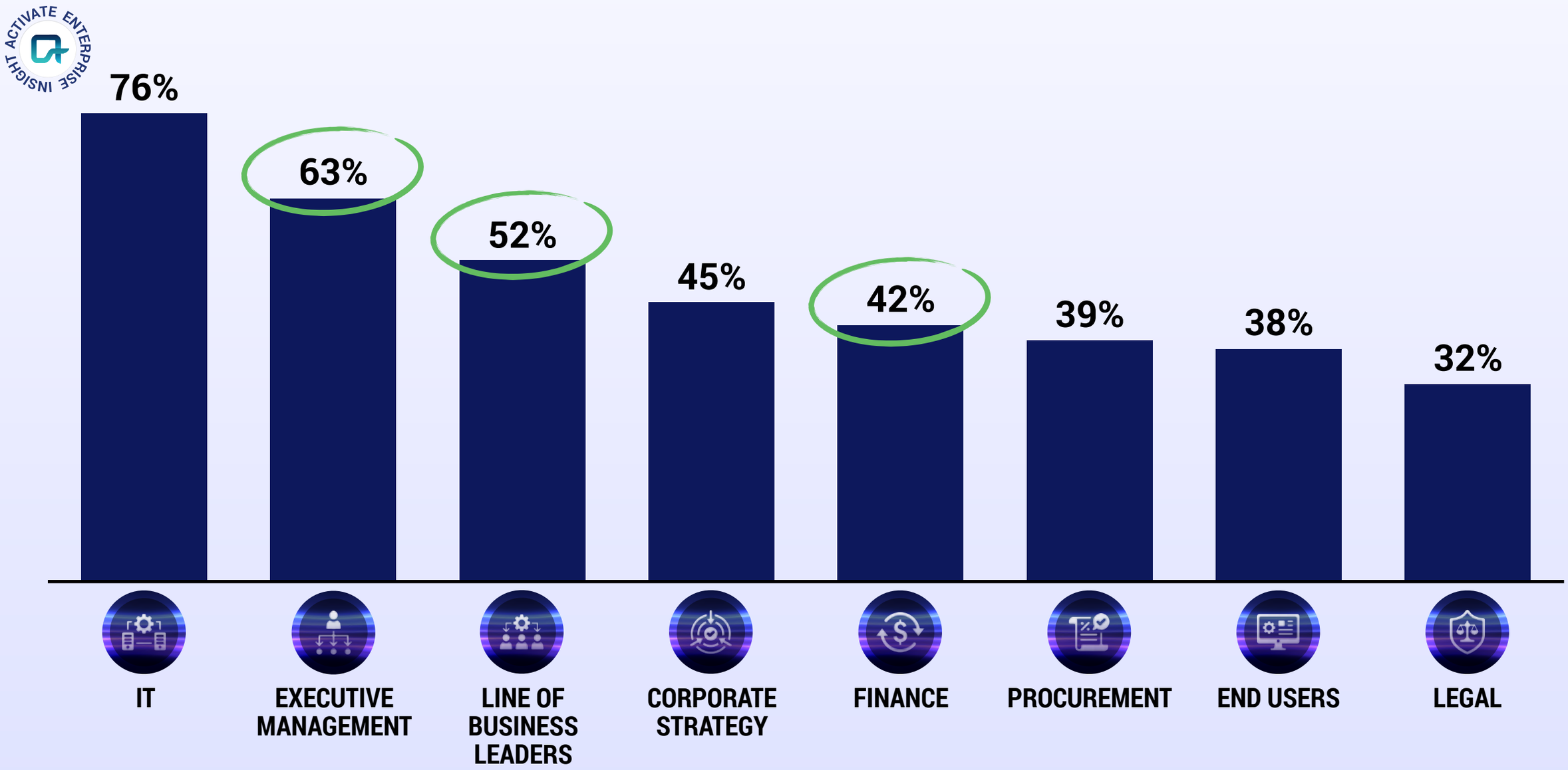
Align technology with long-term business planning and corporate development opportunities

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Sources: Activate analysis, Activate 2025 Technology Decision Maker Research Study (n = 732)

Technology is now a strategic — not just a functional — decision, as indicated by the role of the CEO, CFO, and line of business leaders in technology buying processes

INVOLVEMENT OF SPECIFIC DEPARTMENTS AS DECISION MAKERS IN TECHNOLOGY/SOFTWARE BUYING PROCESSES,
U.S., 2025, % COMPANIES



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Sources: Activate analysis, Activate 2025 Technology Decision Maker Research Study (n = 732)

Across company sizes, technology buyers' top three decision criteria are aligned: integrations, security, and AI-based features

TOP 10 CONSIDERATIONS FOR PURCHASING TECHNOLOGY/SOFTWARE BY COMPANY SIZE, U.S., 2024 VS. 2025

2025 Ranking	ENTERPRISE (5,001+ employees)	*Last Year Ranking*	MID-MARKET (1,001-5,000 employees)	*Last Year Ranking*	SMB (1-1,000 employees)	*Last Year Ranking*
#1	Quality of Integrations	#1	Quality of Integrations	#1	Quality of Integrations	#3
#2	Security	#2	Security	#2	Security	#1
#3	AI-Based Features	#4	AI-Based Features	#3	AI-Based Features	#13
#4	Scalability	#3	Scalability	#4	Ease of Implementation	#2
#5	Number of Integrations	#8	Vendor Reputation	#8	Number of Integrations	#6
#6	Time to Value	#7	Number of Integrations	#6	Scalability	#9
#7	Vendor Reputation	#5	Customer Support Quality	#17	Customer Support Quality	#10
#8	Ease of Implementation	#6	Customer Enablement Quality	#12	Time to Value	#5
#9	Ease of Customization	#9	Service Partner Network	#10	Flexible Pricing	#11
#10	Customer Support Quality	#13	Time to Value	#11	Ease of Customization	#7

Integrations and **security** continue to be a top consideration for all companies, regardless of size

AI features have increased in importance, and are now a **top three consideration for all company sizes**

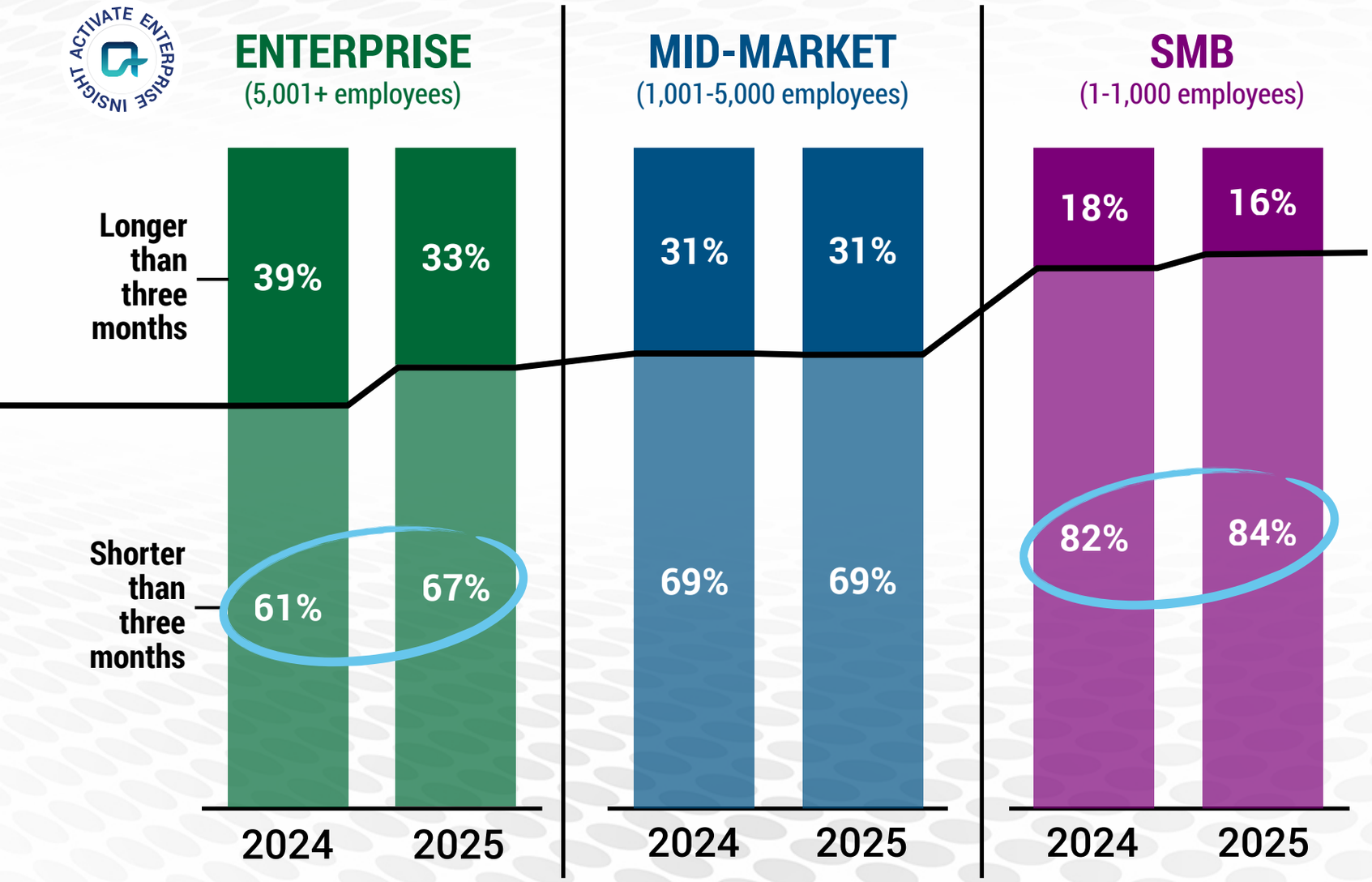
Buyers **value customer support and enablement significantly more** than last year, recognizing them as critical to achieving value from technology spend

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Sources: Activate analysis, Activate 2024 Technology Decision Maker Research Study (n = 336), Activate 2025 Technology Decision Maker Research Study (n = 732)

The buying process is now fundamentally changing, with cycles shortening across both enterprise and SMB buyers

TYPICAL TECHNOLOGY/SOFTWARE SALES CYCLE LENGTH[1],
U.S., 2024 VS. 2025, % COMPANIES BY SIZE



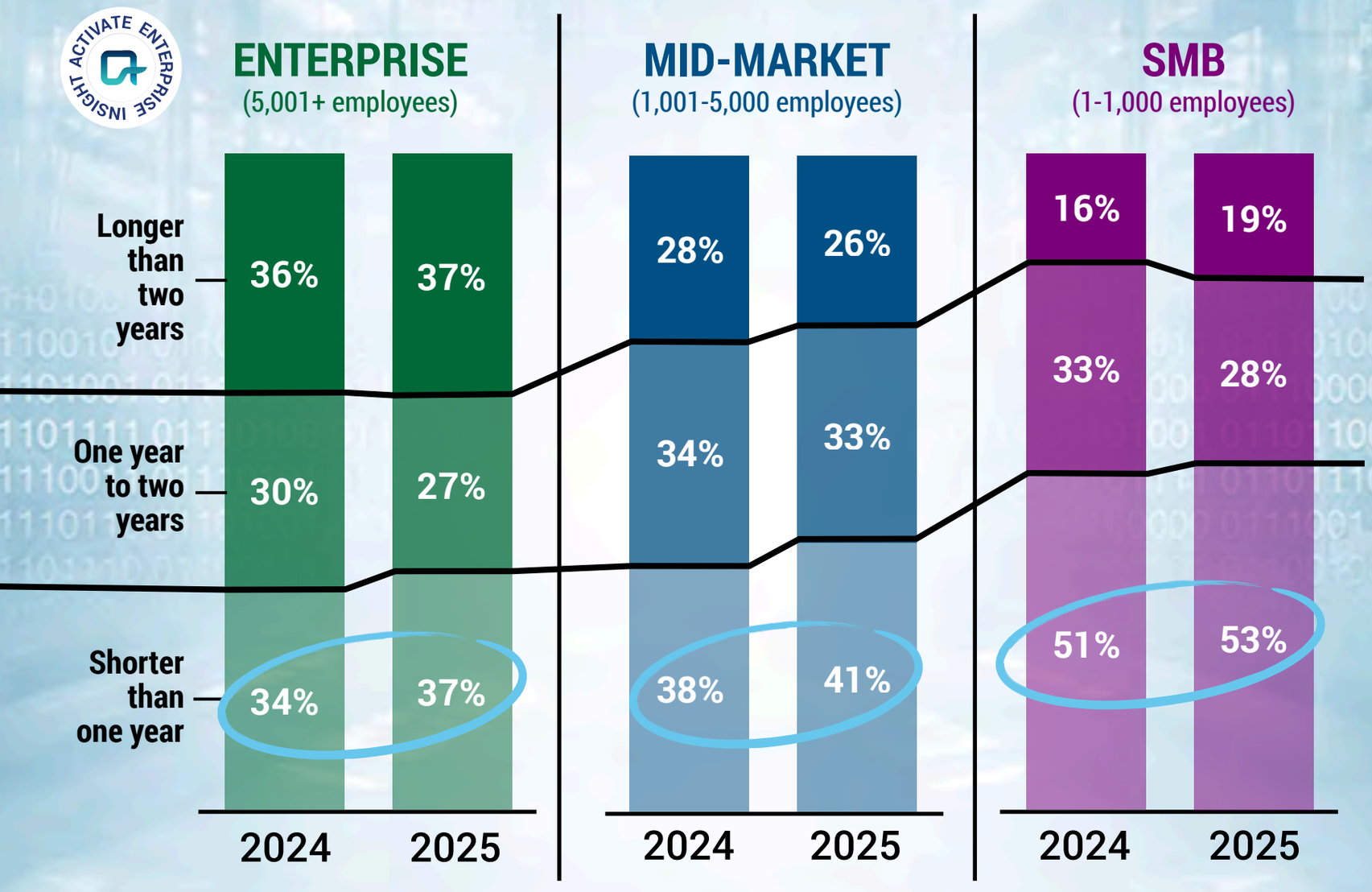
REQUIREMENTS FOR SELLERS

- **Stakeholder Engagement:** Identify and engage all necessary stakeholders to ensure key decision makers are quickly aligned during the shortened process
- **Use Cases and Features:** Showcase most relevant solution features and functionality, and highlight alignment with buyer needs to immediately demonstrate relevance and value
- **Addressing Pain Points:** Ensure sellers acknowledge buyer concerns (e.g., cost, compliance issues, privacy) early in the process to reduce friction when closing the sale

1. Includes full length of time spanning need identification, vendor research, vendor engagement, negotiation, and completion of purchase.
Sources: Activate analysis, Activate 2024 Technology Decision Maker Research Study (n = 336), Activate 2025 Technology Decision Maker Research Study (n = 732)

Across all company sizes, contract lengths have shortened in the last year as buyers prioritize flexibility and expect to realize value quickly

TYPICAL TECHNOLOGY/SOFTWARE CONTRACT LENGTH[1], U.S., 2024 VS. 2025, % COMPANIES BY SIZE



REQUIREMENTS FOR SELLERS

- **Proving ROI:** Demonstrate that technology can be quickly implemented and that buyers will see high value in the first year
- **Pricing:** Offer flexible, incentive-based pricing (e.g., teaser rates in first year, usage-based pricing) to allow customers to more easily commit in the near term
- **Expansion and Upselling:** Develop sales strategies that not only enable contract renewals, but can also upsell customers on new features and offerings

1. Excludes contracts with largest software vendors with long-term agreements (e.g., Microsoft, Oracle, Salesforce, SAP). Figures do not sum to 100% due to rounding.
Sources: Activate analysis, Activate 2024 Technology Decision Maker Research Study (n = 336), Activate 2025 Technology Decision Maker Research Study (n = 732)

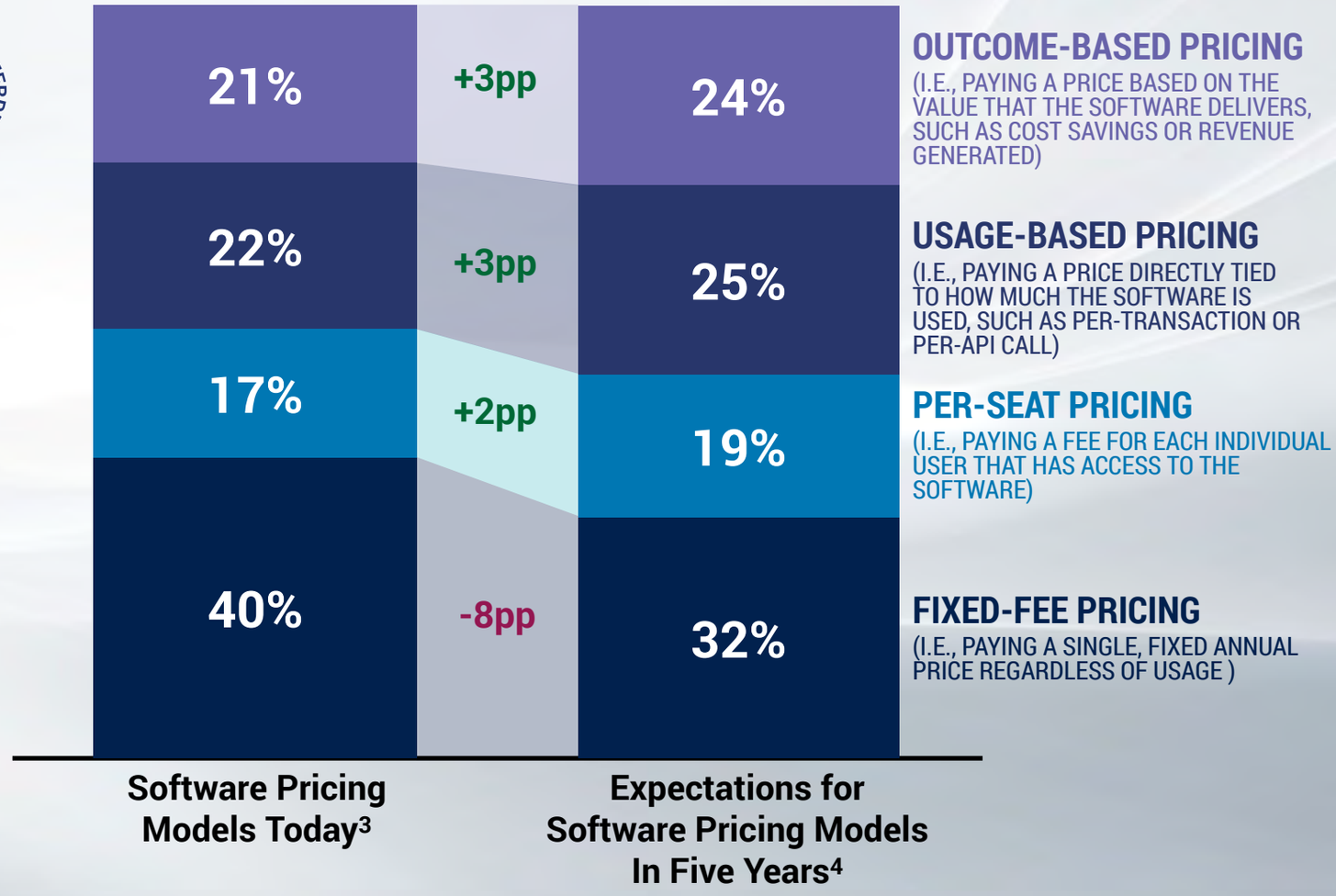
The majority of software buyers expect pricing models to change, but it will not be a one-model-fits-all paradigm

FUTURE EXPECTATIONS FOR SOFTWARE PRICING MODEL CHANGES[1], U.S., 2025, % SOFTWARE CONTRACTS[2]



of software contracts **are expected to have different pricing models in five years**

SOFTWARE PRICING MODELS TODAY[3] VS. EXPECTATIONS FOR SOFTWARE PRICING MODELS IN FIVE YEARS[4], U.S., 2025, % SOFTWARE CONTRACTS[2]



1. Respondents were asked whether they think the pricing models used for specific functions/areas of their company (e.g., accounting, CRM) will change five years from now. 2. If respondents were involved in evaluating, selecting, and purchasing software for multiple functions/areas of their company, answers for each function/area were counted separately. 3. Respondents were asked which pricing model their company most commonly uses for software purchased for specific functions/areas of their company (e.g., accounting, CRM) today. 4. Respondents were asked which pricing model they expect their company to use for software purchased for specific functions/areas of their company (e.g., accounting, CRM) five years from now.
Sources: Activate analysis, Activate 2025 Technology Decision Maker Research Study (n = 732)

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THE EVOLVING ENTERPRISE TECHNOLOGY LANDSCAPE

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The Future Enterprise Technology Ecosystem: Competition Between the New AI-Native Ecosystem and Existing Software Providers

EMERGENCE OF THE NEW AI-NATIVE ECOSYSTEM

Venture capital fundraising for enterprise AI has accelerated, creating the **next generation of AI-native technology and software companies**

Innovation in data capabilities, models, and hardware will **enable all enterprises to develop AI-native capabilities**

EVOLUTION OF EXISTING SOFTWARE PROVIDERS

Traditional technology companies are **building AI-enabled, agentic features to address customer demand**

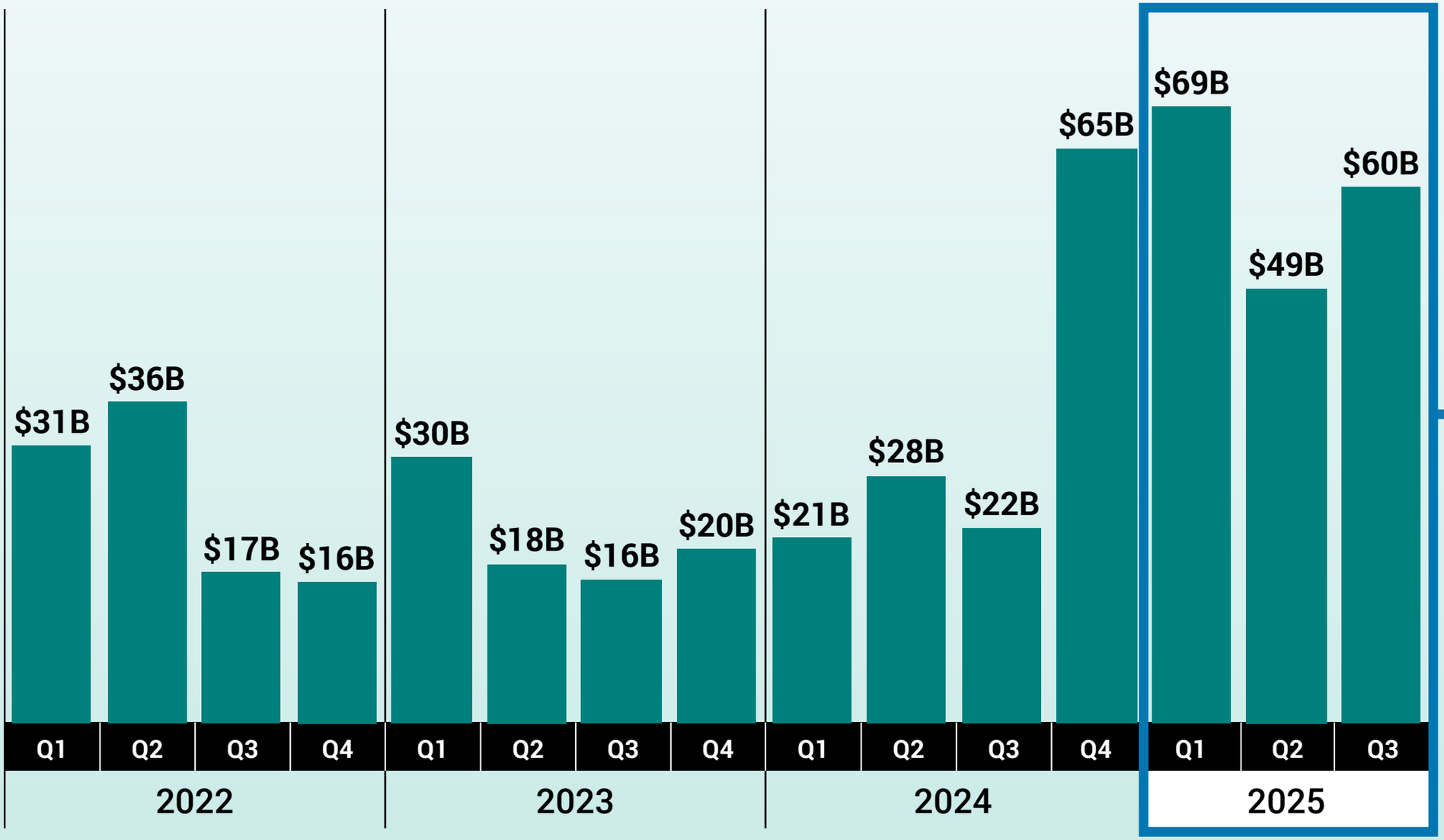
M&A activity will continue to increase, largely driven by legacy technology companies **buying AI capabilities and data/security infrastructure**

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Source: Activate analysis

Venture capital fundraising for AI-focused companies has accelerated in 2025, driven by large AI companies developing the infrastructure that will power the AI-first enterprise

TOTAL AI-FOCUSED[1] VENTURE CAPITAL RAISED[2], GLOBAL, Q1 2022-Q3 2025, BILLIONS USD



IN Q1-Q3 2025,

52%

OF AI-FOCUSED VENTURE CAPITAL HAS GONE TO TEN COMPANIES:

ANTHROP\C
FIGURE
groq
Mistral AI
NSCALE
OpenAI
Safe Superintelligence Inc.
scale
THINKING MACHINES
xAI

1. "AI-focused" is defined as deals involving technology companies that encompass artificial intelligence and machine learning, including platforms, point solution software, and hardware. 2. Includes all completed, announced, and in-progress venture capital deals from each quarter.
Sources: Activate analysis, Crunchbase, PitchBook

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Funding will fuel a new ecosystem of AI-native solutions that will allow enterprises to develop their own AI-native capabilities (vs. AI features of legacy software)

AI-NATIVE B2B TECHNOLOGY LANDSCAPE

INDIVIDUAL ENTERPRISE APPLICATIONS

HORIZONTAL SOFTWARE

AI AUDIO GENERATION
CLEARSPEED, ElevenLabs, sanas, UNIPHORE

AI VIDEO/IMAGE GENERATION
Black Forest Labs, KREA, Luma AI, MOONVALLEY, runway, synthesia, World Labs

AI TEXT/COPY GENERATION
granola, Smartcat, wrtn.

ECOMMERCE
cart.com, eCommerce Radar, Fermat, Parafin, samcart, uniuni

FINANCE
aiwyn, Claras, Flex, FORM3, melio, onpay, Parker, PLAID, ramp, Rillet, tabs

AI-ENABLED CUSTOMER EXPERIENCE / SALES
clay, CRESTA, Decagon, Manychat, Parloa, SIERRA, ujet.cx, WINDFALL

HR & ADMINISTRATION
awardco, BuildOps, job&talent, laurel, MERCOR, RIPPLING, travelperk

LEGAL/COMPLIANCE
EUDIA, EvenUp, Harvey, Jusfy, supio, Vanta

MARTECH / ADTECH / AD OPS
ABCS Insights, amplience, Conversion, hightouch, insidr.ai, optable, seekr, Tracksuit, vibe

SUPPLY CHAIN
Auger, augment, Fleetio, FLOCK Freight, Lyric, ODEKO, OVERHAUL, Stord

VERTICAL SOFTWARE

AEROSPACE/DEFENSE
ANDURIL, CHAOS, Helsing, SARONIC, Shield AI, TEKEVER

BANKING
MERCURY, NEOSPACE, OnFinance AI, ZEST

BIOTECH/ PHARMA
Insilico Medicine, Isomorphic Labs, LILA, SEISMIC THERAPEUTIC

HEALTHCARE
ABRIDGE, commure, harrison.ai, Hippocratic AI, innovaccer, OpenEvidence, SANDBOXAQ, TRUVETA

EDUCATION / PUBLIC SECTOR
collegevine, Flock Safety, peregrine.ai, Prepared, ubicquia

CROSS-ENTERPRISE TOOLS

AI-BASED ANALYTICS & MODELING
Anomalo, arize, baseten, fal, HEX, Domyn, PostHog, scale, SURROMIND

AI-POWERED DEVELOPER TOOLS
Anysphere, Cognition, ENDOR LABS, Framer, Linear, Lovable, Modular, poolside, Reflection, replit, Semgrep, StackBlitz, tines

IDENTITY & ACCESS
Bureau, ELISITY, ID.me, persona, tailscale

BUSINESS INTELLIGENCE & PLANNING
airia, cynoia, Dataminr, Distyl, glean, INSTABASE, nextworld, OBSERVE.AI, quantexa, SELECTOR, Snorkel, STATSIG, TRACTIAN

SUSTAINABILITY
ASUENE, CLARITY AI, FIUTUR, PassiveLogic, REsurety, Utilidata

RPA[1] & AGENTIC
APPTRONIK, DYNA, FieldAI, FIGURE, gecko, Hebbia, Maven AGI, Physical Intelligence, SKILD AI

NETWORK SECURITY / FIREWALL
AURA, Coralogix, CYERA, DREAM, halcyon, HORIZON3.ai, IRREGULAR, Island, NOZOMI NETWORKS, Upwind, veza, VIRTU

ENDPOINT SECURITY
ARMIS, Cape.ai, CATO NETWORKS, Chainguard, cybereason, eclypsium, Sublime Security, wallarm

THREAT RESPONSE
cyberhaven, incident.io, INTEZER, ONTIC, sekoia, Stream.Security

DATA & INFRASTRUCTURE

AI-FOCUSED CLOUD SERVICES
auradine, CASTAI, celestial AI, CoreWeave, Crusoe, Lambda, ninjaOne, NSCALE, ORI, together.ai, VULTR

DATA MANAGEMENT, STORAGE, & API PLATFORMS
ASTRONOMER, centific, ClickHouse, COHESITY, databricks, eon.ai, hydrolix, Kong, OCIENT, omni, sigma, supabase, VAST, vcinity

GENERATIVE AI MODELS & TOOLS
AI21labs, ANTHROPIC, Cartesia, cohere, fal, Genesis AI, Liquid, Mistral AI, NOUS RESEARCH, OpenAI, OpenRouter, perplexity, reka, Safe Superintelligence Inc., THINKING MACHINES, xAI

NEXT-GEN HARDWARE[2]
cerebras, EnCharge AI, enfabrica, groq, Kneron, LIGHTMATTER, MATX, Rebhu Computing, Rivos, SYNTIANT, tenstorrent

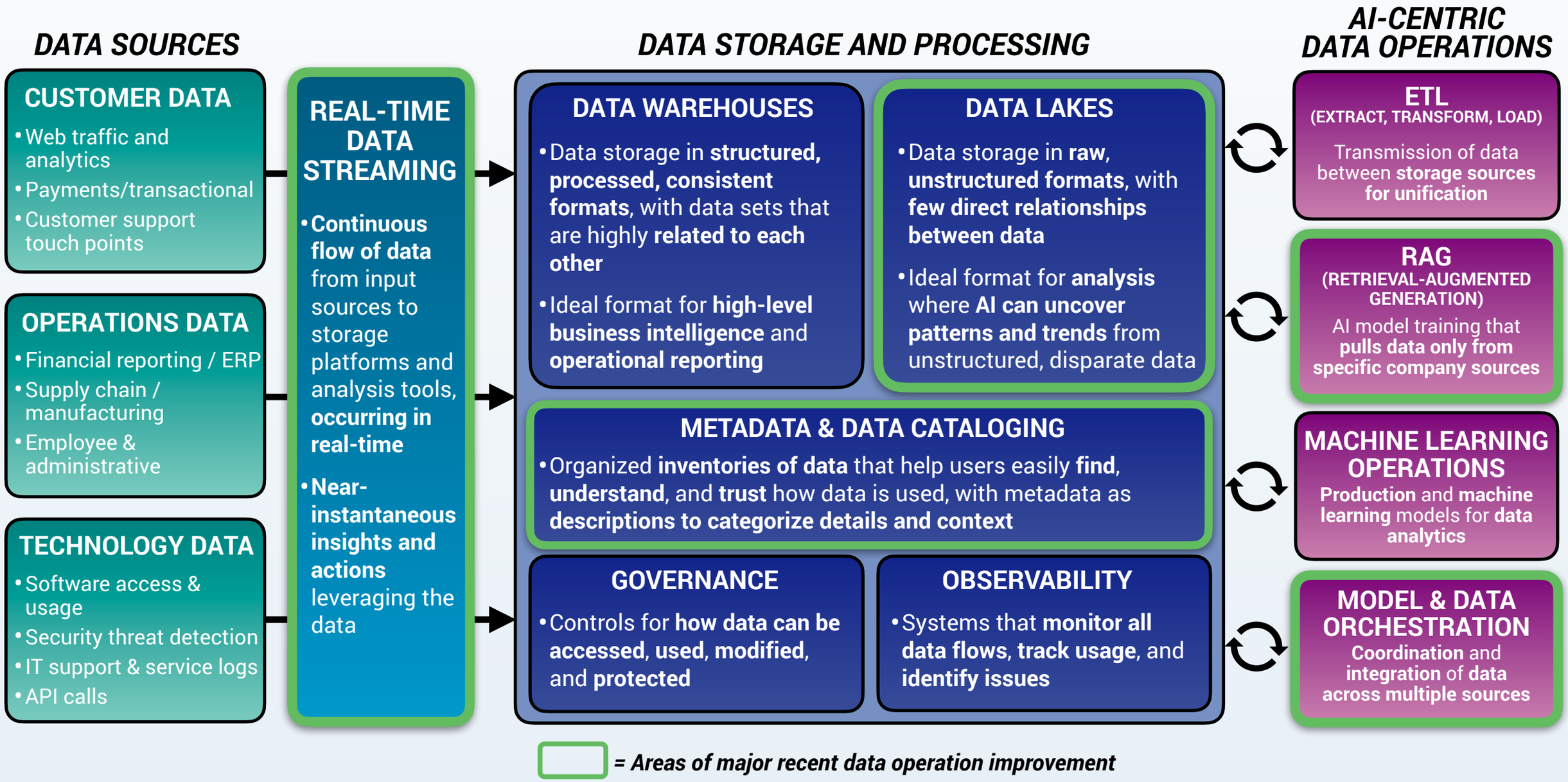
QUANTUM COMPUTING
ALICE & BOB, CLASSIQ, Infleqtion, IQM, PsiQuantum, Q-CTRL, QUANTINUUM, QUANTUM MACHINES, QuEra

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Note: Not exhaustive. Includes B2B and enterprise software companies that have had a deal size of at least $25M in the last year (since Sept. 2024). 1. Robotic Process Automation. 2. Includes innovators driving improvements to semiconductors, data center technology, and IoT hardware.
Sources: Activate analysis, Axios, Company sites, Crunchbase, PitchBook, TechCrunch

More enterprises will be able to develop AI-native capabilities as barriers to stand up the data operations required for AI are lowered

OVERVIEW OF THE AI-READY ENTERPRISE DATA OPERATION



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Sources: Activate analysis, Andreessen Horowitz, Ars Technica, Bessemer Venture Partners, Company press releases, Company sites, The Information, Menlo Ventures, PitchBook, TechCrunch

A new ecosystem of open-source large language models, development platforms, and marketplaces will allow AI-native enterprises to emerge

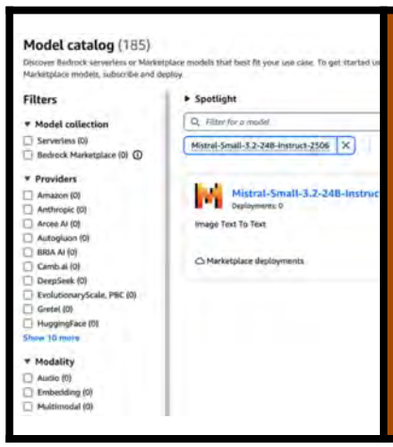
OPEN-SOURCE LARGE LANGUAGE MODELS

OpenAI



Released open-weight LLMs in Aug. 2025, designed for companies and researchers to easily customize weights and fine-tune with proprietary data

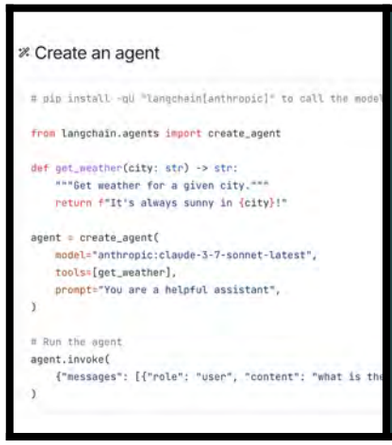
Mistral AI



Launched "Mistral Small 3" in Jan. 2025, offering the model as open-source, with significantly lower cost and energy consumption vs. closed-source

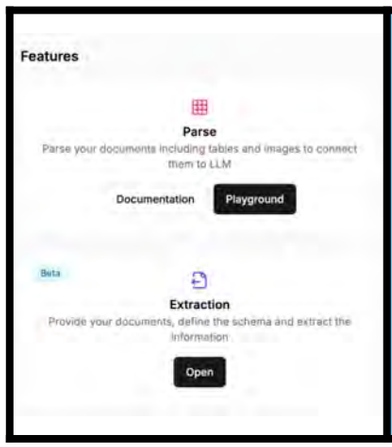
MODEL & AGENT DEVELOPMENT PLATFORMS AND TOOLS

LangChain



Offers a framework and platform for developing and customizing LLMs and agents, letting companies build custom models and applications

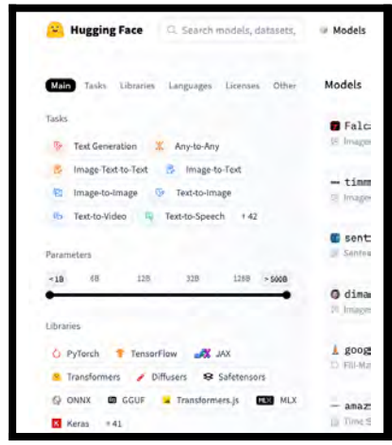
LlamaIndex



Provides a platform to integrate company data into agent development to improve precision, efficiency, and applicability for individual enterprises

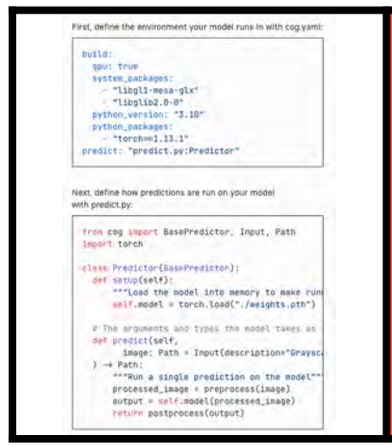
AI MODEL MARKETPLACES

Hugging Face



Makes over 1.5M models available for download and customization to fit specific enterprise use cases and levels of sophistication

Replicate



Offers API-based large language model access, customization capabilities, and developer platforms to build models from scratch

Sources: Activate analysis, Bloomberg, Company press releases, Company sites, Reuters, TechCrunch, VentureBeat

Continuous technology breakthroughs across AI models, cloud services, and hardware will improve the speed, cost, and accessibility of AI for enterprises

TECHNOLOGICAL BREAKTHROUGHS ENABLING MORE EFFICIENT AI

CONTEXT-AWARE MULTIMODAL MODELS

- Process and generate across formats (text, image, audio, video, and code) within a single system
- Result in lower costs for enterprises by replacing multiple specialized tools with one platform

KEY INNOVATORS: ANTHROPIC, deepseek, Google DeepMind, mcml Munich Center for Machine Learning, META SUPERINTELLIGENCE LABS, OpenAI

COMPACT AI MODELS

- Run with fewer parameters and lower memory needs, making them deployable on laptops and mobile devices
- "Sparse expert models" only activate parts of networks required for each task, delivering more cost-efficient AI

KEY INNOVATORS: Google AI Edge, Microsoft, Mistral AI, MULTIVERSE COMPUTING, NVIDIA

OPTICAL NEURAL NETWORK HARDWARE

- Speeds up AI-based processing, delivering higher performance and significant energy savings
- Holds the potential to transform data centers, telecom, and edge AI with significantly more efficient computing

KEY INNOVATORS: Cornell University, USC, Purdue, University of Oxford

AI-FOCUSED CLOUD SERVICES

- Allow businesses to train and use models faster and at a lower cost than on AWS, Azure, or Google Cloud
- Offer developer-friendly tools and flexible pricing tailored for enterprises adopting AI

KEY INNOVATORS: CoreWeave, FluidStack, Lambda, TensorDock

EDGE AI

- Runs directly on devices without relying on the cloud, reducing latency and strengthening data privacy
- Enables real-time use cases like autonomous driving, manufacturing, and healthcare

KEY INNOVATORS: AXELERA ARTIFICIAL INTELLIGENCE, EDGE IMPULSE, LatentAI, roboflow

QUANTUM CHIP ADVANCEMENTS

- Offer new architecture to reduce the cost and complexity of quantum calculations, with the goal of increasing accessibility
- Reduce error rates, improving ability to simulate complex, real-world problems

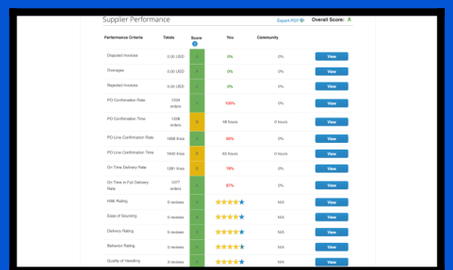
KEY INNOVATORS: atom computing, ColdQuanta, Google Quantum AI, IONQ, Microsoft Azure Quantum, QUANTINUUM

Sources: Activate analysis, Arxiv, Company sites, Computer Vision Foundation, Turing, The Verge

Scaled software companies are launching agentic AI capabilities to facilitate AI deployments across the enterprise

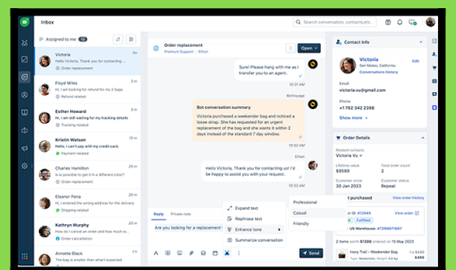
EXAMPLES OF AGENTIC AI FEATURES LAUNCHED BY SCALED SOFTWARE & TECHNOLOGY COMPANIES

coupa



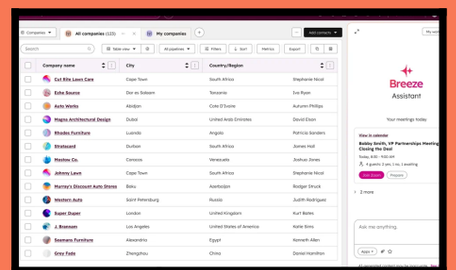
"Navi" AI agents forecast spend, provide analytics, and automate supply chain and procurement decision making based on inventory requirements

freshworks



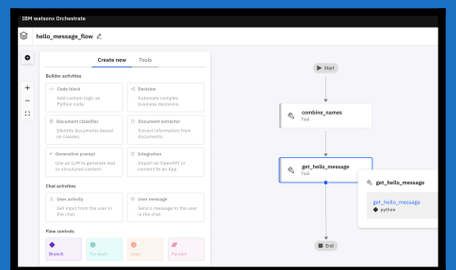
"Freddy" AI agents automate tasks and resolve issues across apps and workflows, improving efficiency of IT processes and customer service

HubSpot



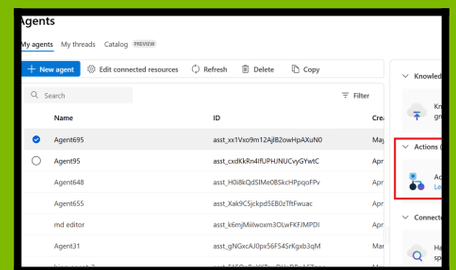
"Breeze" AI agents enable go-to-market teams to scale faster through customizable automations for content, customer service, and prospecting

IBM



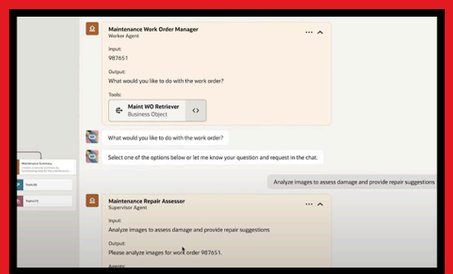
Watsonx Orchestrate's AI agent builder and prebuilt agent catalog automate finance, HR, and sales functions and connect to 99% of enterprise tools

Microsoft



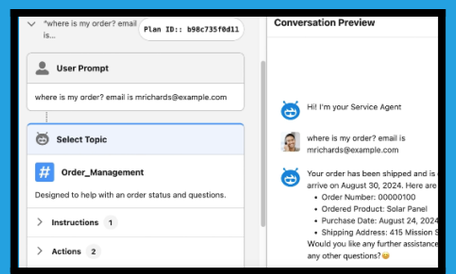
Azure AI Foundry provides prebuilt templates, connectors, MLOps, and governance to build, deploy, and monitor enterprise AI agents at scale

ORACLE



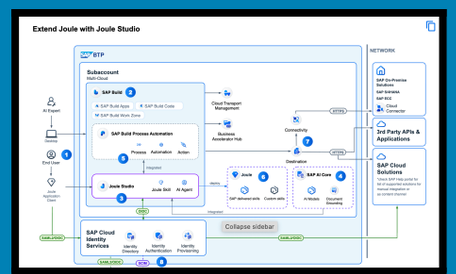
AI Agent Studio empowers customers to build and manage AI agents, expanding on 50+ prebuilt agents to address industry-specific needs

salesforce



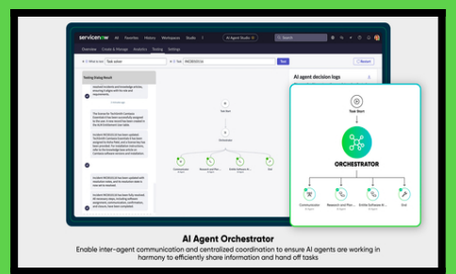
AI agent development and deployment capabilities directly integrate into the Agentforce platform (e.g., for customer service, sales, marketing)

SAP



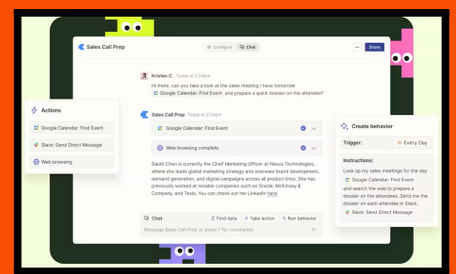
"Joule" AI agents surface ERP insights, draft records, and speed up finance, procurement, maintenance, and service workflows

servicenow



Agent Orchestrator automates IT, HR, and customer service workflows, coordinating thousands of prebuilt AI agents across one platform

_zapier



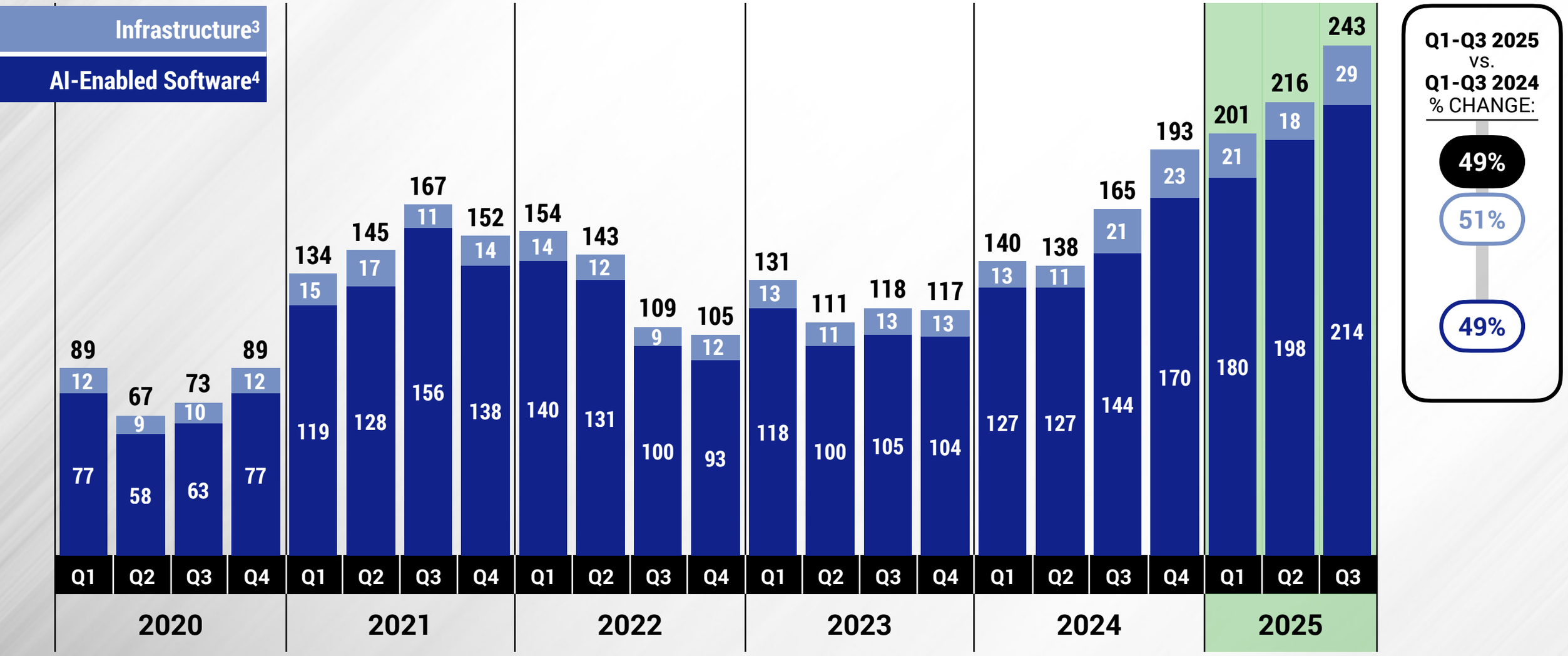
AI agents connect to 7,000+ apps across different networks to automate customer support, order processing, and meeting scheduling

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Sources: Activate analysis, Company press releases, Company sites, CPO Strategy

M&A activity for AI-focused companies has steadily increased in 2025, and we expect this trend to continue going forward

TOTAL NUMBER OF ACQUISITIONS[1] OF AI-FOCUSED COMPANIES[2], GLOBAL, Q1 2020-Q3 2025, NUMBER OF DEALS



1. Includes all completed, announced, and in-progress acquisitions from each quarter. 2. "AI-focused companies" are defined as technology companies that encompass artificial intelligence and machine learning, including platforms, point solution software, and hardware. 3. "Infrastructure" is defined as hardware, database, storage, and networking. 4. "AI-enabled software" is defined as AI-focused point solutions, productivity tools, platforms, and developer tools.
Sources: Activate analysis, Crunchbase, PitchBook

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Large software companies are a major contributor to deal activity, as they seek to accelerate the evolution of their core offering for the now AI-focused technology buyer

EXAMPLES OF AI-FOCUSED M&A DEALS IN 2025[1]

AI-NATIVE ACQUIRERS

clay	BUYS	AVENUE	cohere	BUYS	otto	DRATA	BUYS	SAFEBASE by DRATA	grammarly	BUYS	SUPERHUMAN
AI-based customer engagement / sales		Employee operations monitoring	Industry-specialized AI models		AI agent development	AI-focused security and compliance		Security & observability	AI-based text and copywriting		Email-based AI integration

TRADITIONAL SAAS ACQUIRERS

Dropbox	BUYS	promoted.ai	HubSpot	BUYS	FRAME AI	salesforce	BUYS	Convergence	servicenow	BUYS	Moveworks
Data storage & sharing		Advertising & promotion	Marketing automation		Customer data analytics	Customer relationship management		Browser-based agentic AI	IT & customer management		Employee productivity & agentic AI

DATA INFRASTRUCTURE ACQUIRERS

databricks	BUYS	Fennel AI	DATADOG	BUYS	eppo by DATADOG	mongoDB.	BUYS	VOYAGE AI By MongoDB.	snyk	BUYS	Invariantlabs A snyk Company
Data analytics		Machine learning for recommendations	Data observability		Developer & product analytics	Database & analytics		Industry-specialized AI	AI-centric security		Agentic AI development

CHIP, CLOUD, & AI MODEL INFRASTRUCTURE ACQUIRERS

CoreWeave	BUYS	Weights & Biases	Hugging Face	BUYS	POLLEN ROBOTICS	NVIDIA.	BUYS	CentML	Qualcomm	BUYS	EDGE IMPULSE
AI-optimized cloud service		Model training/tailoring	AI model marketplace		Robotics provider	Semiconductor designer		Machine learning deployment	Semiconductor designer		AI application development

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1. Includes completed, announced, and in-progress acquisitions from 2025.
Sources: Activate analysis, Crunchbase, PitchBook, TechCrunch

Large software companies' acquisitions will help them ensure future relevance across the enterprise by extending their footprint beyond business applications and enterprise tools into foundational data and infrastructure for AI

RECENT ACQUISITIONS OF DATA INFRASTRUCTURE BUSINESSES BY LEADING ENTERPRISE PLATFORMS, JAN. 2015-AUG. 2025

		servicenow	Microsoft	ORACLE	salesforce	SAP
DATA & ENTERPRISE INFRASTRUCTURE	DATABASES & STORAGE	swarm64	citusdata	SparklineData	Own	altiscale
	DATA PIPELINES / ETL	swarm64	citusdata	SparklineData	Attic	
	API / CLOUD MANAGEMENT & ORCHESTRATION	ITAPP	Clear Software	apiary		ScaleMP
	DATA ANALYTICS & VISUALIZATION	Moveworks		SparklineData	tableau from Salesforce	Kausa
	DEVOPS TOOLS & PLATFORMS	SWEAGLE	GitHub	wercker	Respell	AppGyver
DATA OPERATIONS & MANAGEMENT	EVENT MANAGEMENT & OBSERVABILITY	Lightstep from ServiceNow				SIGNAVIO
	METADATA & DATA CATALOGING	data.world			Informatica	LeanIX
	DATA GOVERNANCE	data.world	secure islands		phennecs	LeanIX
CYBERSECURITY	NETWORK SECURITY	BrightPoint SECURITY		Dyn		
	ENDPOINT SECURITY	Mission Secure	RISKIQ			
	CLOUD SECURITY		CLOUDKNOX	palerra	toopher	
	IDENTITY MANAGEMENT	BrightPoint SECURITY	ADALLOM	palerra	toopher	
	THREAT RESPONSE	BrightPoint SECURITY	HEXADITE	palerra		

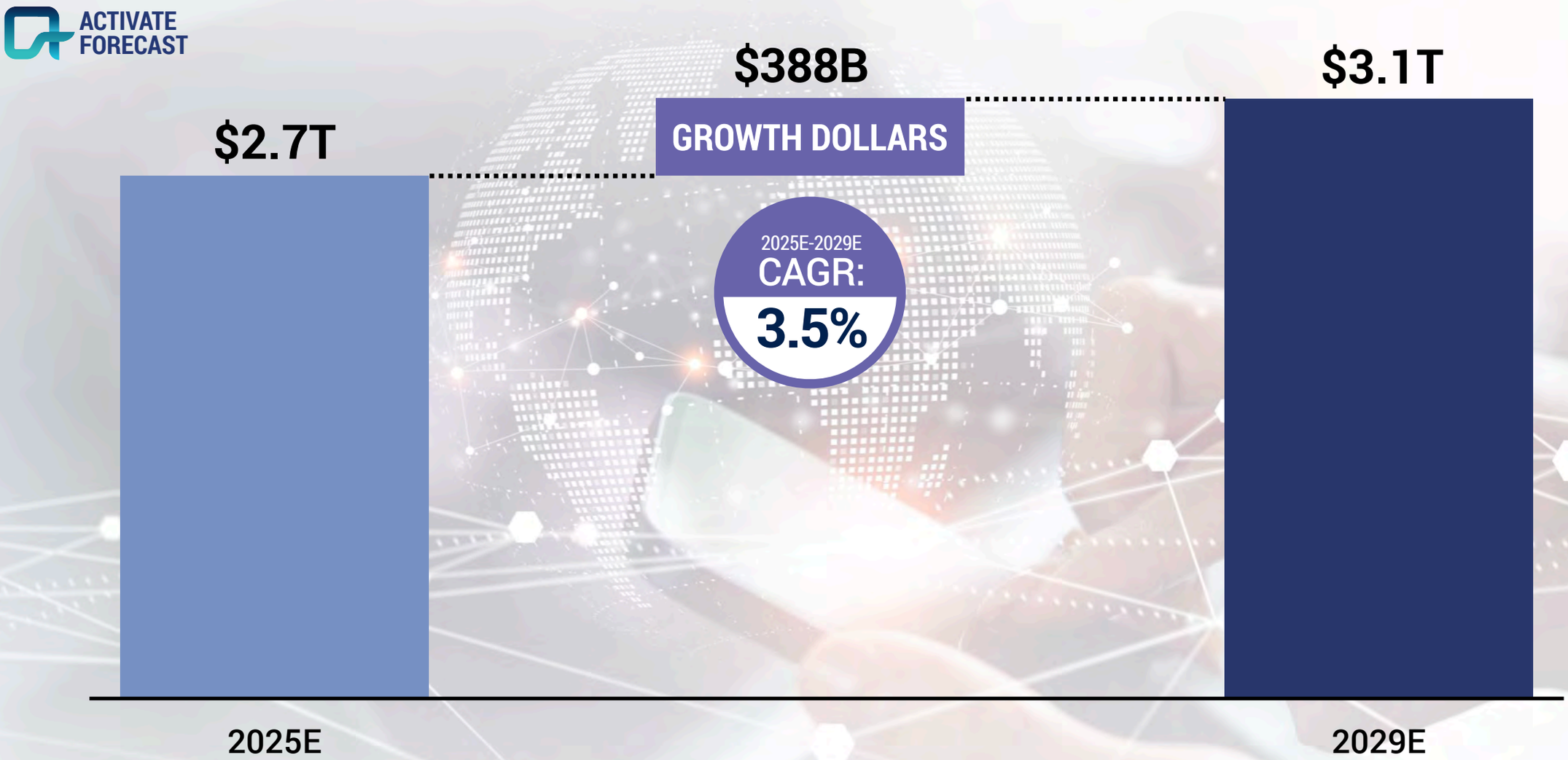
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Note: Not exhaustive.
Sources: Activate analysis, Company press releases, Company sites, Crunchbase, PitchBook

INTERNET AND MEDIA REVENUES

Internet and media revenues will grow by nearly $400B over the next four years

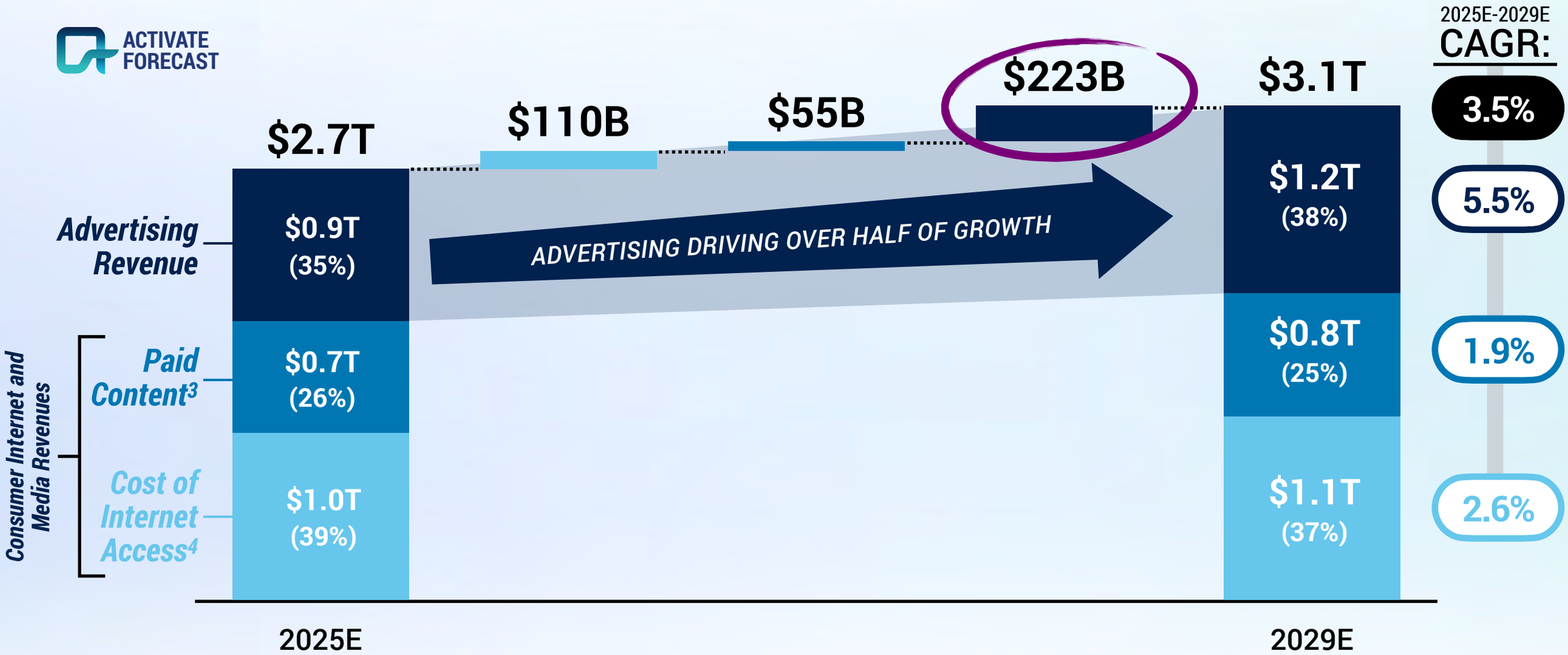
INTERNET AND MEDIA REVENUES[1], GLOBAL, 2025E VS. 2029E, USD



1. "Internet and media revenues" include revenues from radio subscription and licensing fees, recorded music, book publishing, magazine publishing, newspaper publishing, video games, filmed entertainment, TV subscription and licensing fees, internet access, digital advertising, and traditional advertising on these platforms.
Sources: Activate analysis, Alliance for Audited Media, Dentsu International, eMarketer, IBISWorld, Newzoo, Omdia, Pew Research Center, PricewaterhouseCoopers, WPP Media, Zenith Media

Advertising spend will drive more than half of the global growth in internet and media revenues

GROWTH IN INTERNET AND MEDIA REVENUES[1] BY SEGMENT[2], GLOBAL, 2025E VS. 2029E, USD

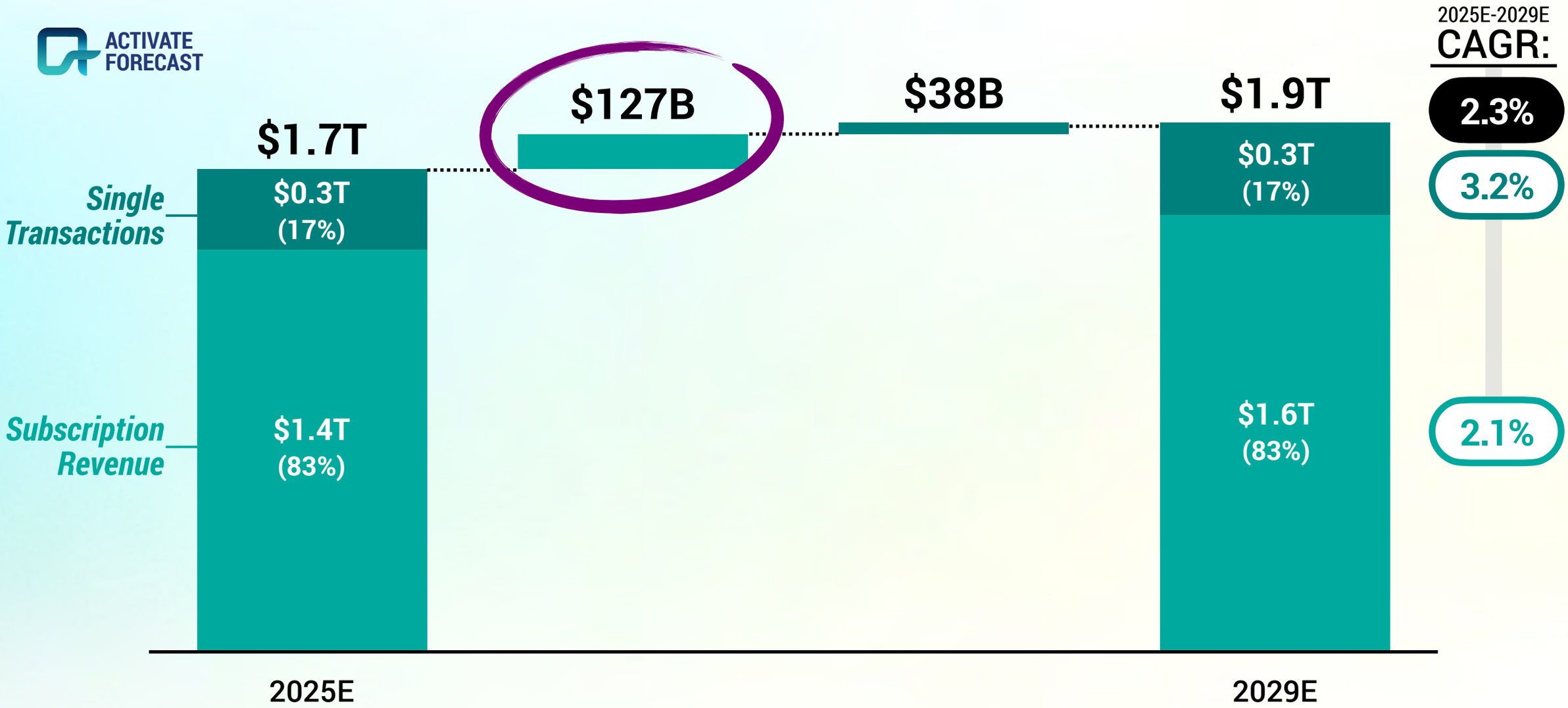


1. "Internet and media revenues" includes revenues from radio subscription and licensing fees, recorded music, book publishing, magazine publishing, newspaper publishing, video games, filmed entertainment, TV subscription and licensing fees, internet access, digital advertising, and traditional advertising on these platforms. 2. Figures do not sum due to rounding. 3. "Paid content" includes radio subscription and licensing fees, recorded music, book publishing, magazine publishing, newspaper publishing, video games, filmed entertainment, and TV subscription and licensing fees. 4. "Internet access" includes fixed broadband, wireless, and mobile internet access.

Sources: Activate analysis, Alliance for Audited Media, Dentsu International, eMarketer, IBISWorld, Newzoo, Omdia, Pew Research Center, PricewaterhouseCoopers, WPP Media, Zenith Media

Subscriptions will make up the vast majority of the growth in global consumer spend, adding $127B by 2029

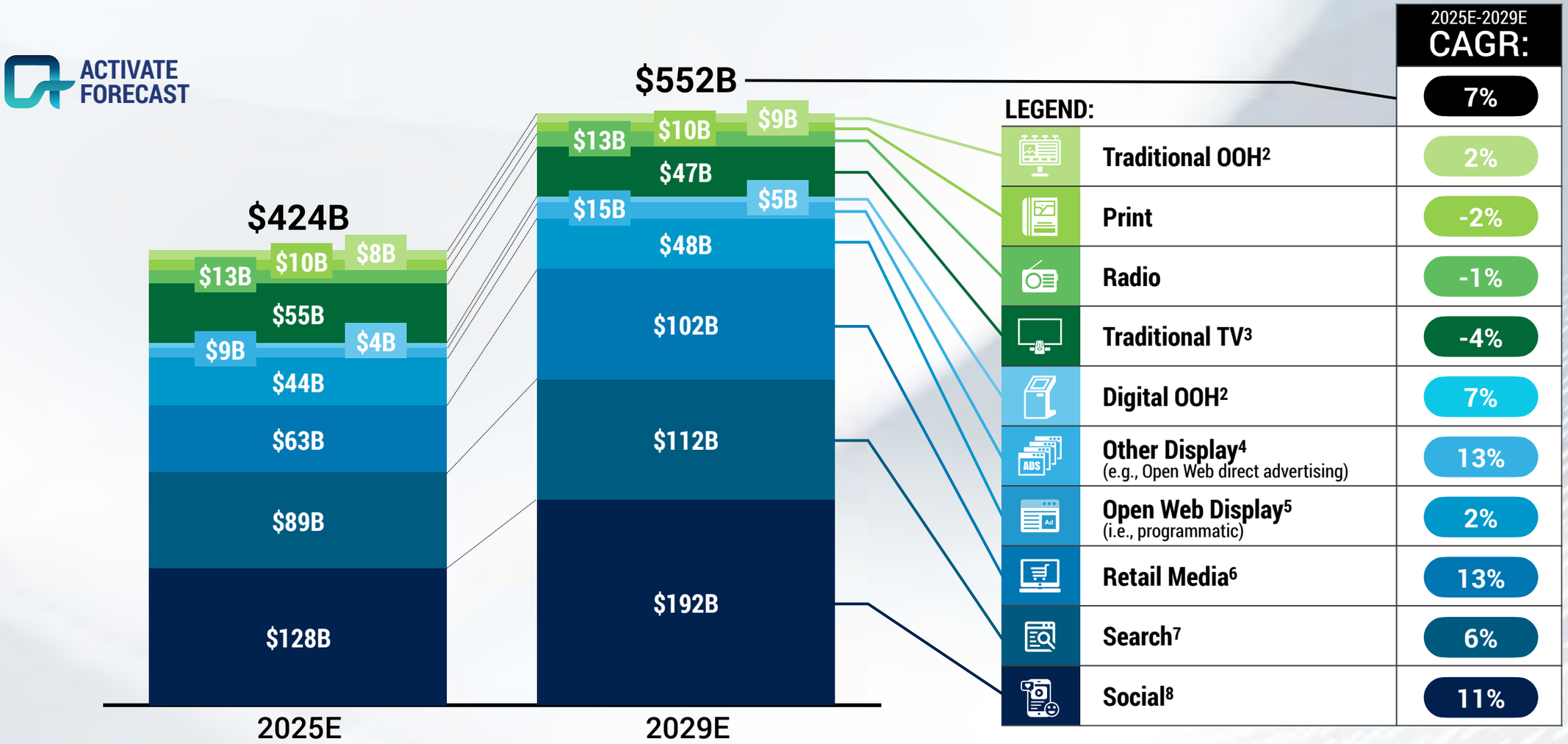
CONSUMER INTERNET AND MEDIA REVENUES[1] GROWTH BY REVENUE MODEL, GLOBAL, 2025E VS. 2029E, USD



1. “Consumer internet and media revenues” includes revenue from radio subscription and licensing fees, recorded music, book publishing, magazine publishing, newspaper publishing, video games, filmed entertainment, TV subscription and licensing fees, and internet access.
Sources: Activate analysis, Alliance for Audited Media, Dentsu International, eMarketer, IBISWorld, Newzoo, Omdia, Pew Research Center, PricewaterhouseCoopers, WPP Media, Zenith Media

We forecast that U.S. advertising revenues will reach $552B by 2029

ADVERTISING SPEND BY CHANNEL[1], U.S., 2025E VS. 2029E, BILLIONS USD



Note: Reflects all advertising spend in the U.S., of which ~92% of ad spend in 2025 is B2C (vs. B2B) ad spend. 1. Figures do not sum due to rounding. 2. Out-of-Home advertising. 3. Includes broadcast and cable television. Excludes digital. 4. Includes additional Open Web and walled garden display advertisements bought directly. Includes direct spend on ad-supported streaming. 5. Includes digital audio (e.g., dynamically inserted podcast advertisements) and programmatic spend on ad-supported streaming. 6. Includes revenue from on-site, off-site, and in-store retail media. 7. Includes search advertisements within generative AI platforms and AI-powered search summaries. Excludes search advertisements purchased through retail media networks. 8. Includes YouTube.
Sources: Activate analysis, Barclays, Company filings, Company press releases, Company sites, Datos, Dentsu International, Deutsche Bank, eMarketer, Interactive Advertising Bureau, Jefferies, Jounce Media, J.P. Morgan, MAGNA, PricewaterhouseCoopers, Raymond James, S&P Global, Semrush, Statista, TD Cowen, UBS, WPP Media

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Media & Entertainment



Software & Technology Services



eCommerce & Marketplaces



Telecom & Connectivity



Consumer Digital Services



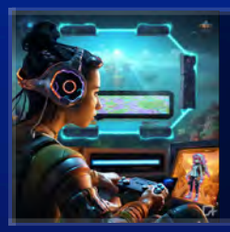
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Sports



Tech-Enabled Businesses & Services



Video Gaming & Interactive Entertainment



Hardware & Devices

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New York, NY 10010

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