Grabbing the spotlight
Awards show trends and the rise of digital studios
A changing landscape for television

The television industry is undergoing significant change, with new digital distribution platforms disrupting traditional broadcast television and cable operators. To meet increasing consumer appetite for original, high-quality content, digital platforms have created their own studios. This has become a key differentiator for television production. Nearly half of all streaming video subscribers say they value the quality of original content offered by their providers.¹

Awards shows value this original content as well. Digital studios are gaining increasing recognition of the quality of their television production through wins at three major television awards shows: the Emmy Awards, Golden Globe Awards, and Screen Actors Guild (SAG) Awards. Deloitte Risk and Financial Advisory has analyzed the success rates over the past five years of television productions from digital studios, focusing on the two significant genres of comedy and drama.²

This analysis shows that in both genres, the digital studios are gaining ground against traditional studios for both nominations and wins, relative to their volume of television production.³

Our approach

>190 categories

>2,500 nominations

Timeline

2013 2017

The Emmy Awards, Golden Globe Awards, and Screen Actors Guild (SAG) Awards recognized 192 categories and more than 2,500 individual nominations for television content produced from 2013 to 2017. From those 192 categories, Deloitte Risk and Financial Advisory selected the 20 categories and 922 nominations most relevant to comedy and drama shows.⁴ The Emmys, Golden Globes, and SAG Awards recognized each of the categories selected. Relevant data for the 2018 award nomination data was available only for the Golden Globes and SAG Awards at the time of publication of this article. As such, any reference to 2018 data refers specifically to Golden Globes and SAG Awards nominations for the 2018 awards season.
The rise of the digital studio

Digital studios have emerged over the past five years as a major force in quality television production. They’re receiving award nominations from the Emmys, Golden Globes, and SAG Awards. And they’re winning awards at a much greater rate than their share of total television production would suggest.

Although these studios remain in the minority of television production compared to their traditional studio counterparts, the current levels of over-the-top (OTT) streaming television production are impossible to ignore. Having gone from 7 percent of original scripted television production in 2013 to 24 percent of that same production in 2017, digital studios represent a large quantity of the content available to consumers.\(^5\)

This trend is quickly accelerating. As a result, Netflix’s traditional leadership of digital studios, on the backs of such shows as *House of Cards* and *Orange Is the New Black*, is increasingly under threat from Hulu and Amazon. HBO remains the “800-pound gorilla” of the television production studios with highly awarded shows, including *Game of Thrones*, *Veep*, and *Big Little Lies*. And it shows no sign of losing its No. 1 spot as the most awarded network—at least, in the near future.\(^6\)

The war among traditional broadcast and cable television, streaming, and digital delivery services for creative talent, investors, and viewers remains white hot. The networks best able to demonstrate creative and critical success will ultimately win the battle for talent and viewers.

Total digital studio production of original scripted content for television has increased 388 percent in the five-year period analyzed.

Estimated count by FX Networks Research as of January 2, 2018; culled from Nielsen, Online Services, Futon Critic, Wikipedia, Epguides, et al.
Clearly, the quantity of digital production has grown. But has the quality of these productions kept pace?

Deloitte Risk and Financial Advisory analyzed 922 award nominations and 166 award winners over the past five years for the three awards shows previously mentioned (including the 2018 results for the Golden Globes and SAG Awards). Our goal? To determine whether digital studios are achieving critical success with their significant production investments. (Given the small volume of movie production to date by digital studios, we have not analyzed movie awards success.)

At CES 2018, Hulu noted that it places equal emphasis on increasing both the quantity and the quality of its original television production. The latter was in evidence in 2017 as Hulu became the first digital studio to win an Emmy Award for Outstanding Drama Series (for The Handmaid’s Tale). Such critical success gives Hulu greater access to talent and funding for future productions. On the other hand, AMC has seen major commercial success with The Walking Dead. However, the fan favorite show hasn’t received corresponding recognition from the television awards shows.

### Share of nominations

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In each year covered in our analysis, digital studios have outpaced traditional studios, receiving a greater share of nominations than their share of total production. With rapidly increasing production investments and greater critical success, digital studios represent a significant and ever-growing threat to the incumbents.

Award-winning content drives digital studio performance

In 2018, digital studios received more than one-third of comedy and drama awards nominations and 32% of award wins.

In 2018, digital studios “outperformed” by 47% (with 35% of the nominations on only 24% of total production). Their strongest year for outperformance was 2015, at 77% in both comedy and drama categories.

Digital studios have been even more successful in winning awards than in being nominated. Over the five-year period, they won a total of 22% of comedy and drama awards, despite being nominated for only 19% of awards in these categories.

Traditional studios have dominated with 85% of the total television production and 81% of the awards nominations. But digital studios have received 19% of awards, despite producing only 15% of the content.
Digital studio content gains credible award nominations

The success of digital studios with respect to award nominations has been underpinned by key shows that have garnered huge critical success: House of Cards, Transparent, Orange Is the New Black, Stranger Things, The Handmaid’s Tale, and The Crown.

In contrast, traditional studios have a much larger pool of successful shows driving their results. And their top-winning shows—Big Little Lies, Veep, and Breaking Bad—were still the most awarded shows from any studio.

Digital studios rely on a handful of shows to compete for awards in comedy and drama.

From 2013 to 2016, two comedies and a drama—Orange Is the New Black, Transparent, and House of Cards—brought in more than 1/2 of digital studio nominations.

The top five digital productions to win awards—House of Cards, Transparent, Orange Is the New Black, The Crown, and Stranger Things—produced 78% of the total digital wins in drama and comedy.

Traditional studios have a much larger library of content competing for comedy and drama awards.

Fargo, Game of Thrones, and Veep—the three most nominated shows from traditional studios—together represented only 14% of traditional studio nominations in both categories.

Traditional studios’ three most award-winning shows—Big Little Lies, Veep, and Breaking Bad—represented only 23% of traditional studio nominations.
Individual studio success remains concentrated in the “big three”

Three studios have consistently stood out as the most critically acclaimed over the past five years:

- HBO: 24 percent of total nominations; 27 percent of total wins
- FX: 12 percent of wins and nominations
- Netflix: 15 percent of nominations; 11 percent of wins

The next most successful are Showtime, Amazon, and AMC, well behind at 7 percent of wins and nominations.

Despite the dominating performance over the past five years by HBO, the trend over time once again shows the increasing influence of the digital studios.

- The nomination rates of HBO and FX have remained fairly static across each of the past five years. But Netflix accelerated quickly from only 9 percent of nominations five years ago to be the most nominated studio for 2018 at the Golden Globes and SAG Awards. It had a nomination rate of 27 percent—meaning that more than one in four nominations went to Netflix this year.
- HBO retained a dominating win rate of 42 percent in 2018. But with FX falling away to only 5 percent, all three major digital studios—Netflix, Amazon, and Hulu—achieved win rates above 10 percent.

• NBC also surprised with a major improvement in its success in 2018, doubling from the previous year to the No. 2 spot at 16 percent of wins, thanks to *This Is Us* and the successful return of *Will & Grace*. 
Genre matters

Comedy and drama are the two key genres of television awards, and our analysis indicates that comedy performs more strongly for digital studios than drama does.

For four of the past five years, critical success in drama has significantly trailed success in comedy for digital studios. The exception was in 2017, when digital studios won 44 percent of the drama awards. In 2018 the normal trend returned, with digital studios achieving a 50 percent win rate in comedy and just a 23 percent win rate in drama. Major digital studio deals over the past 18 months with high-profile drama production teams could reverse this trend over time. But that remains to be seen.

- In 2017, wins in drama spiked for digital studios to 44 percent (well ahead of nominations at 24 percent), while comedy wins dropped to 8 percent (well behind nominations at 30 percent).

- In 2018, digital studios achieved a 50 percent win rate in comedy (ahead of nominations at 45 percent) and a 23 percent win rate for drama (behind nominations at 31 percent) for the Golden Globes and the SAG Awards.

How will the Emmy Awards in the fall impact the success rates?

Digital studios have won at least 50 percent of the comedy awards in 2015, 2016, and 2018.
Digital studios continue to excel—and most commonly at the SAG Awards, with five-year nomination and win rates well ahead of the overall average across all awards shows. At the other end of the spectrum, the Emmys generally haven't seen the same nominations and wins for digital studios, and rates have historically fallen behind the overall average during the time period we reviewed. The upcoming 2018 Emmy nominations will undoubtedly impact our trend analysis.

In addition, several interesting questions are brought to light by this data:

- Are the SAG Awards predisposed to favor digital studios?
- Does the nature of the award categories of each show impact outcome? That is, does the Screen Actors Guild’s recognition of actors rather than shows and directors impact award success?
- Is success simply cyclical, depending on the timing of a hit series?

In general, there's a relatively small number of comedy and drama award nominations (177) and wins (37) for digital studios across awards shows. That means that a highly awarded production from either a digital or traditional studio in a given year can have a major impact on the results for individual awards shows. Depending on the nomination year, this is a highly volatile number.

Although digital studio success in each awards show has generally risen over time in line with overall trends, there are interesting anomalies. In 2017, the nomination rate for the Golden Globes dropped steeply. But in 2018, there was a sharp rise in the win rate. This was offset by a drop in the SAG Awards rate in 2018.

The cyclical nature of the television industry, where even the best scripted productions don’t typically sustain success beyond a few years, requires that both traditional and digital studios continually produce new and compelling content.

Thus far in 2018, digital studios have shown no sign of slowing down in their attempts to grab the spotlight on the award stage. But traditional studios continue to be recognized for their quality productions as well.

Will the Emmys tell us anything different about industry trends? Check back in the fall of 2018 for our newest analysis on who's grabbing the bigger share of the spotlight.

Will these trends continue? Stay tuned.
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Endnotes


5. Estimated count by FX Networks Research as of January 2, 2018; culled from Nielsen, Online Services, Futon Critic, Wikipedia, Epguides, et al. Data excludes library, daytime dramas, one-episode specials, non-English language/English-dubbed, children’s programs, and short-form content (under 15 min.). Includes recently produced imports.

Methodology

The Emmy Awards, Golden Globe Awards, and SAG Awards recognized more than 190 award categories and over 2,500 individual nominations for television content that was produced from 2013 to 2017. From those 192 categories, we selected the 20 categories and 820 nominations most relevant to comedy and drama shows. The comedy and drama genres are those in which digital video streaming companies have begun to compete with traditional production studios and cable networks. The Emmy Awards, Golden Globe Awards, and SAG Awards recognized each of the award categories selected. Relevant data for the 2018 awards nomination data was available only for the Golden Globe Awards and SAG Awards at the time of publication of this article. As such, any reference to 2018 data refers specifically to Golden Globe Awards and SAG Awards nominations for the 2018 awards season.

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