



The ROI of Gen AI in Media and Entertainment

A global survey of enterprise
adoption and value

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About this report

This report is based on a survey of 263 senior leaders of global enterprises (\$10M+ revenue) in the media and entertainment industry, conducted by Google Cloud and National Research Group. It provides a comprehensive benchmark of the impact of gen AI on business and financial performance.

Unless otherwise noted, all statistics in this report are derived from the survey and are focused on respondents in the media and entertainment industry.

Introduction

The media and entertainment industry is experiencing an unprecedented transformation. And leading the charge is gen AI. Within a relatively short period, this emerging technology has quickly led to different uses. It can help create images and videos, compose music, and write scripts. This is opening up new avenues for enhancing creativity, efficiency, and audience engagement.

Here are some examples of how gen AI is impacting the media and entertainment world. Sports broadcasters can now instantly search through petabytes of video archives for that perfect game-winning moment, while entertainment outlets are surfacing highlights in near real-time for TV, social media, and marketing. Streaming platforms are also using gen AI to generate personalized content recommendations. This is helping to boost viewer engagement and reduce subscriber churn. But what's the actual impact on the bottom line?

Our global survey reveals a media and entertainment landscape where early adopters are already reaping significant rewards. Let's dive into the key facts and takeaways to see how gen AI is driving revenue growth, ROI, and industry innovation.

Albert Lai

Global Director, Media & Entertainment, Google



Gen AI is here

Not only is media and entertainment embracing gen AI, but as our survey shows, it's having a strong impact on business outcomes. However, the pace of adoption varies, with a distinct pattern emerging in the industry.

While 64% of media and entertainment respondents¹ have already moved gen AI use cases into production, 24% are still evaluating or testing gen AI use cases.

This highlights a critical point: the media and entertainment industry has reached an inflection point with gen AI. Even though two-thirds of companies are already leveraging the technology in some way, 12% haven't even started evaluating use cases.¹ This shows a clear divide, with the early adopters likely to reap significant competitive advantages.

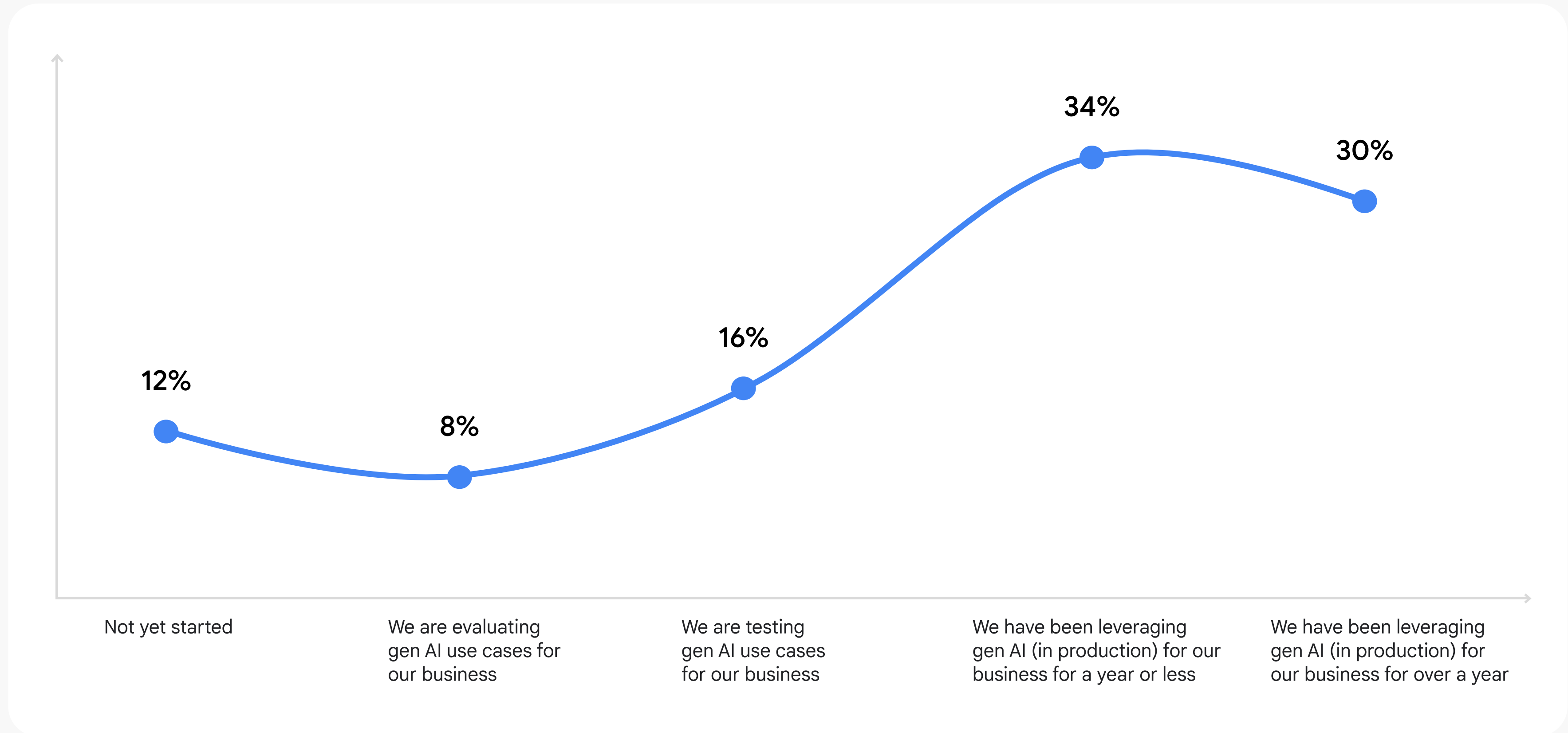
Well-resourced studios and their commitment to innovation are likely at the forefront of this trend, while others with a focus on stability may be adopting these changes at a more measured pace. However, the pressure to innovate is only going to intensify. The need to engage consumers (personalization), the rising cost of content, and the need to evolve new monetization models are compelling media and entertainment organizations to embrace gen AI.

¹ Total market - media and entertainment (global): n=263



In the final chapter, we'll share 7 governance tips for successful gen AI implementation.

Gen AI adoption among media and entertainment organizations¹



¹ Total market - media and entertainment (global): n=263

Early adopters of gen AI in the media and entertainment industry are witnessing its impact on business growth. Among those organizations leveraging gen AI in production, a significant portion are reporting notable business growth across key areas directly attributed to gen AI initiatives.

For example, of those reporting gen AI has resulted in business growth,² 66% have experienced increased conversion rates, 63% have seen an increase in revenue, 63% have achieved improved leads and new customer acquisition, and 65% have successfully created new products or services. These results demonstrate that gen AI is rapidly transitioning from an experimental technology to a powerful engine for financial performance and competitive advantage. Media and entertainment companies that embrace gen AI now are well-positioned to capitalize on its transformative potential and shape the future of the industry.

² Media and entertainment organizations currently leveraging gen AI in production and reporting business growth (global): n=106

Business growth attributed to gen AI²

Among media and entertainment organizations currently using gen AI in production and reporting meaningful impact on business growth

66%



of respondents increased conversion

65%



of respondents created new products/services

63%



of respondents improved leads and new customer acquisition

63%



of respondents saw increase in revenue



Realizing gen AI's benefits



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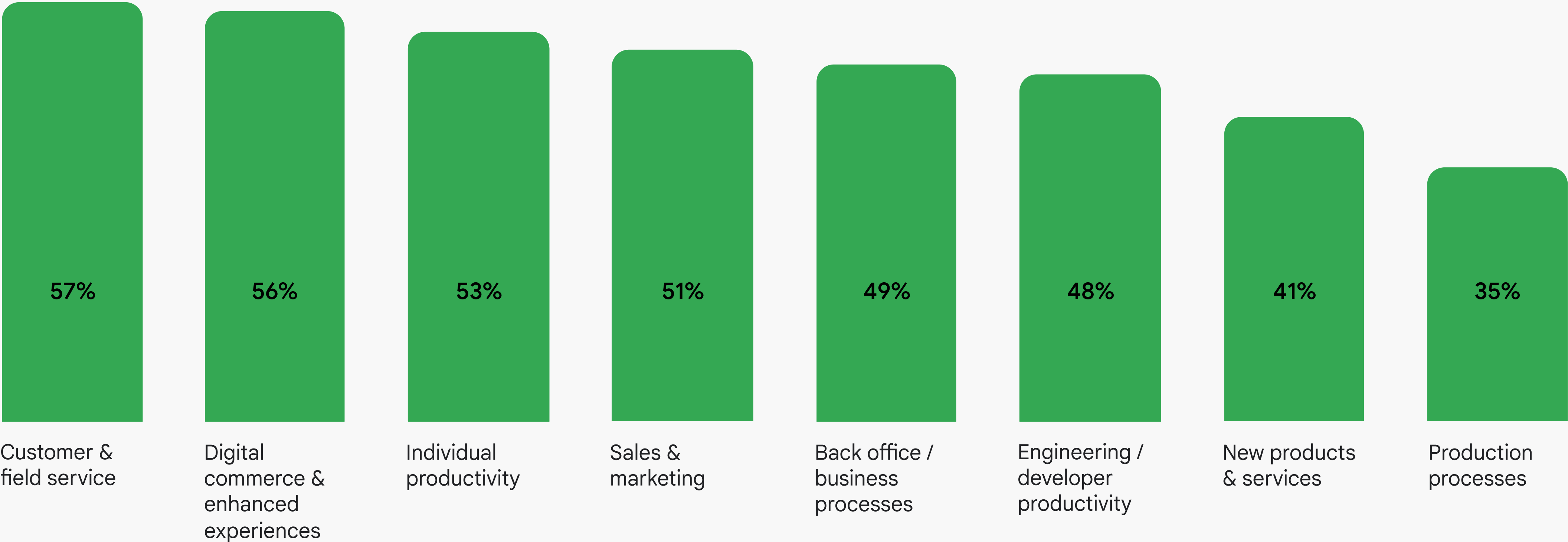


It's striking to see such consistent adoption of gen AI across key areas in media and entertainment, like customer service, digital commerce, and individual productivity. Clearly the industry recognizes the potential of gen AI to personalize experiences, streamline operations, and empower employees. This emphasis on enhanced customer experiences and digital commerce indicates a strong drive to leverage gen AI for attracting and retaining viewers in an increasingly competitive market.

Gen AI adoption has been much lower in production compared to customer service and marketing. This is because integrating gen AI into complex production processes might necessitate greater technical investment and a higher tolerance for disruption. But this points to a potential growth area and a possible industry advantage for media organizations who invest in gen AI-powered production processes.

The business benefits are being felt across three key areas: time to market, ROI, and productivity.

Media and entertainment organizations have gen AI use cases in production across a range of functions³



³ Media and entertainment organizations currently leveraging gen AI in production: n=169

01 Time to market

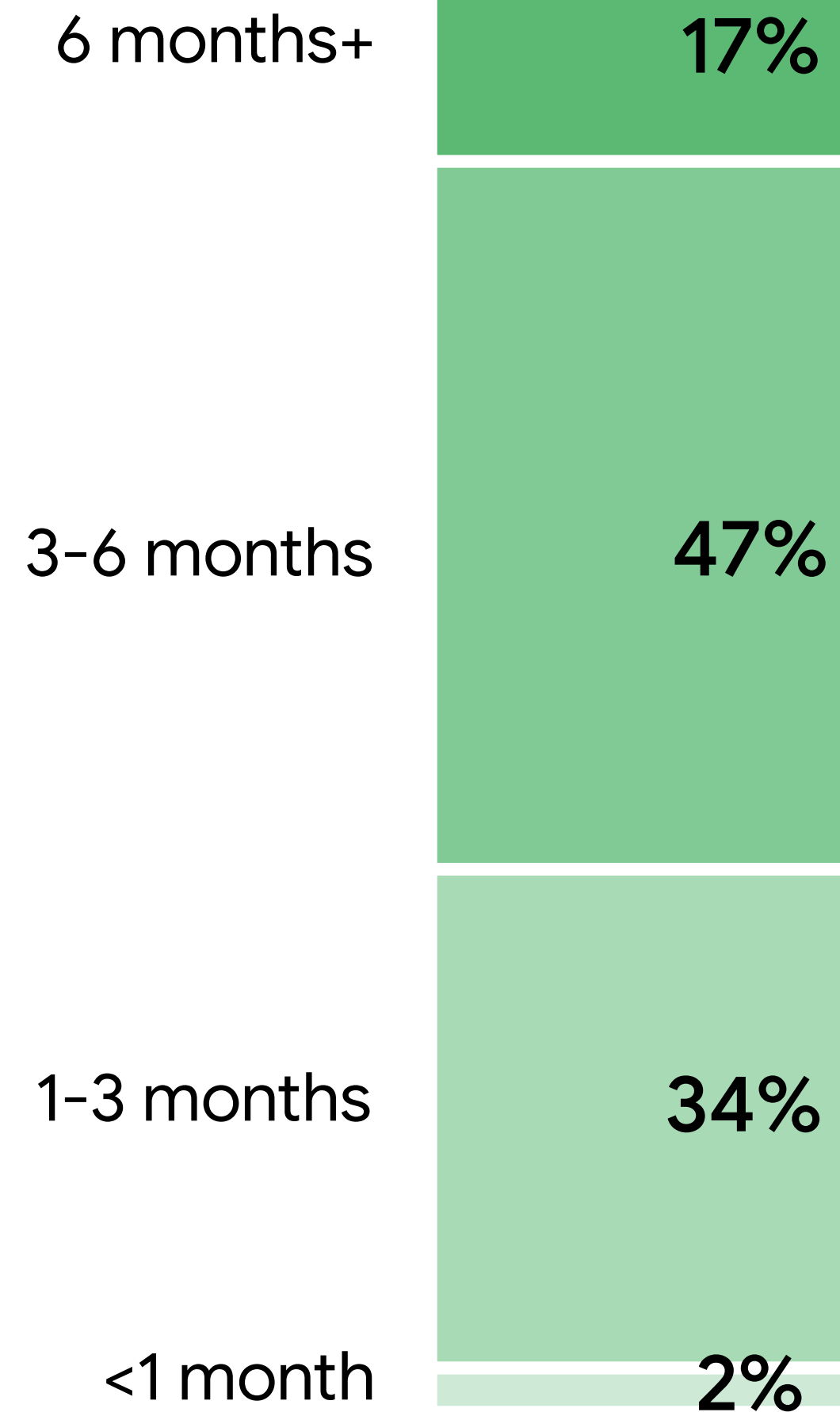
The speed at which media and entertainment organizations are bringing gen AI use cases to production is remarkable. The fact that a significant majority can launch a new gen AI initiative in under six months speaks to the industry's agility and eagerness to adopt this technology. It's possible this rapid pace is driven by a constant pressure to innovate and the availability of increasingly sophisticated, user-friendly gen AI tools.

That said, a closer look reveals that though companies are quickly deploying gen AI use cases. This suggests a trend toward smaller-scale, experimental projects. This means the industry may be prioritizing speed and agility over deep integration, potentially limiting the transformative impact of gen AI on core business operations.

83%

of media and entertainment organizations⁴ can move a gen AI use case from idea to production within six months.

Average time to market⁴



⁴ Total market - media and entertainment organizations with at least one use case in production: n=256

02 ROI

The media and entertainment industry is facing a unique set of challenges, from navigating the evolving landscape of streaming services to understanding audience preferences in a fragmented digital world. Now, gen AI is emerging as a powerful tool to address these challenges and unlock new revenue streams. Adoption of this technology in the industry is still in its early stages, but initial results are promising. Here are some key ways gen AI is having an impact:

Targeted content recommendations

AI algorithms can analyze vast amounts of data, such as audience viewing habits, to provide personalized recommendations. This can lead to increased viewer engagement, reduced churn, and higher subscriber retention.

Streamlining production processes

AI is being used to automate tasks like script analysis, character development, and even visual effects. This can significantly reduce production costs and lead to faster turnaround times, allowing studios to respond more quickly to market trends.

Optimizing advertising strategies

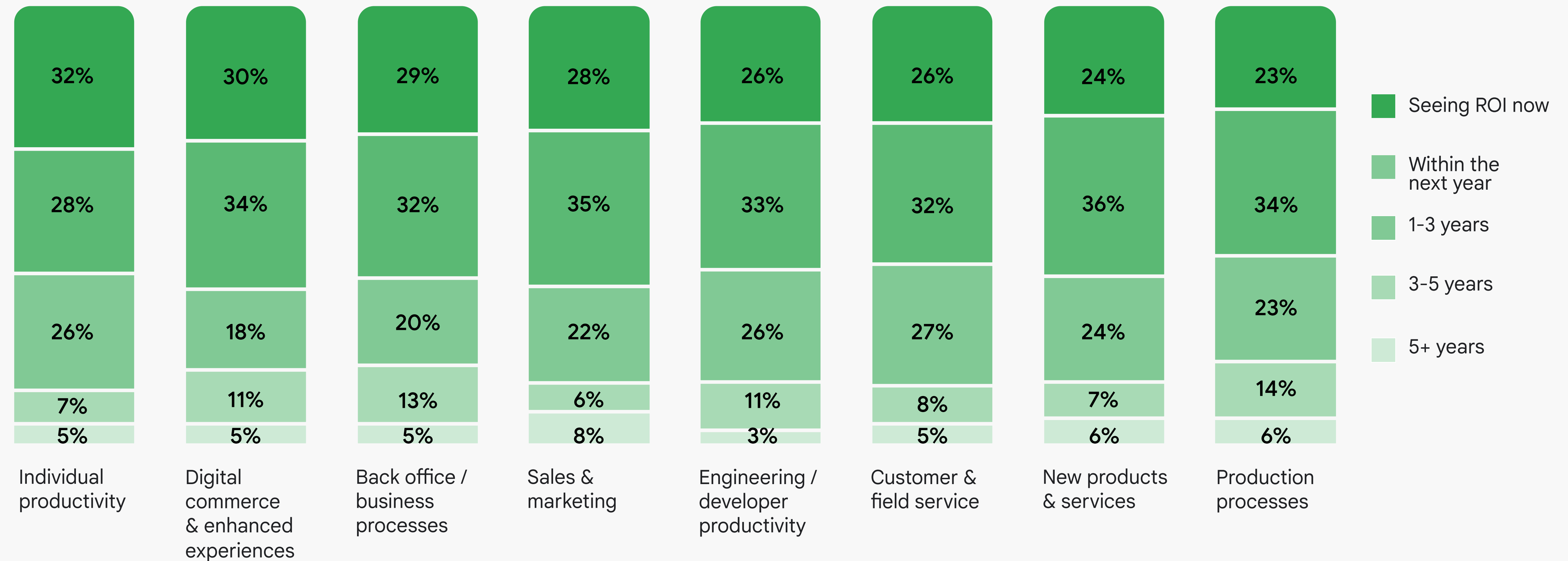
AI-powered advertising platforms can help target specific audience segments with personalized ads, improving ad effectiveness and maximizing ROI.

72%

of organizations currently using gen AI in production are seeing ROI now on at least one use case.⁵

⁵ Media and entertainment organizations currently leveraging gen AI in production: n=169

ROI timeline for gen AI use cases⁶



⁶ Media and entertainment organizations currently leveraging gen AI in production that are currently using or planning to use gen AI on use cases: Individual productivity: n=152, Digital commerce and enhanced experiences: n=149, Back office / business processes: n=152, Sales and marketing: n=160, Engineering / developer productivity: n=152, Customer and field service: n=157, New Products and services: n=147, Production processes: n=145

03 Productivity

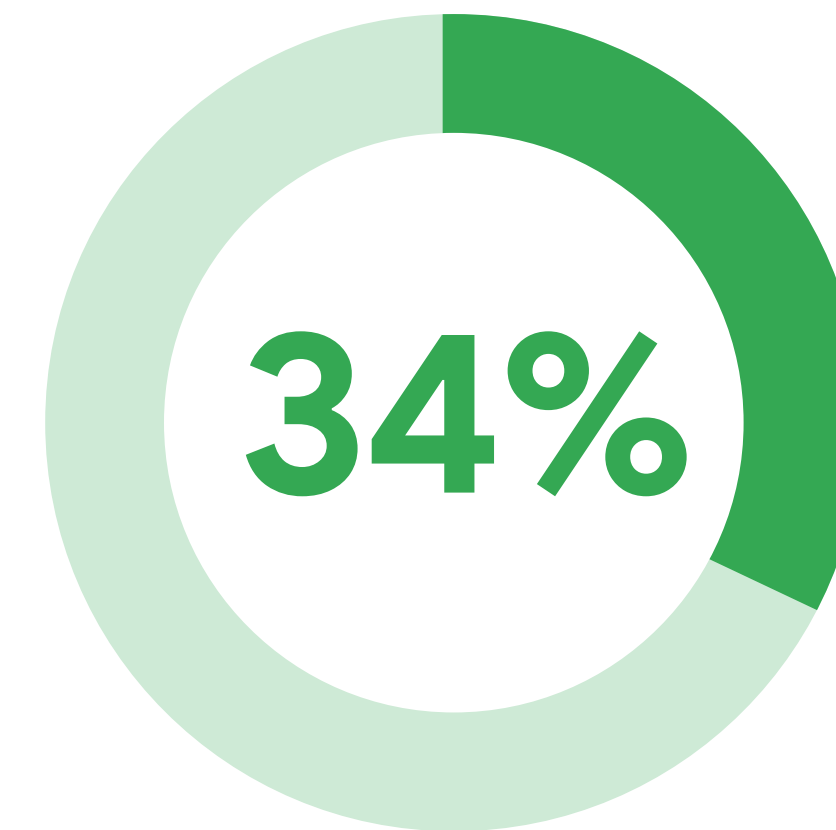
Media and entertainment organizations report significant improvements when asked about the ability of gen AI to improve productivity. With 64% of organizations that use gen AI in production reporting productivity gains,⁷ and 34% of this group⁸ claiming employee productivity has at least doubled. This suggests that gen AI is not simply automating tasks, but fundamentally changing how work gets done—leading to substantial boosts in efficiency.

⁷ Media and entertainment organizations currently leveraging gen AI in production: n=169

⁸ Media and entertainment organizations currently leveraging gen AI in production and reporting productivity improvements (global): n=108

Gen AI impact on productivity⁸

Among media and entertainment organizations currently using gen AI in production and reporting productivity improvements



indicate employee productivity has at least doubled

C-level support helps unlock more value

With the support of top management, media and entertainment organizations are more inclined to align their general AI strategies with business objectives. This alignment can facilitate the successful implementation and realization of general AI initiatives. In fact, media and entertainment organizations with a strong connection between gen AI and business goals are more likely to see an ROI on at least one use case now (73%), compared to the overall average of 67%.⁹

⁹ Media and entertainment organizations currently leveraging gen AI in production and have strong gen AI connection to business goals: n=165; Total market - media and entertainment (global): n=263

Media and entertainment organizations with a strong connection between gen AI and business goals report ROI now on at least one use case⁹

Seeing ROI now
(any use case)

67%

73%

Not seeing ROI now
for any use case

33%

27%

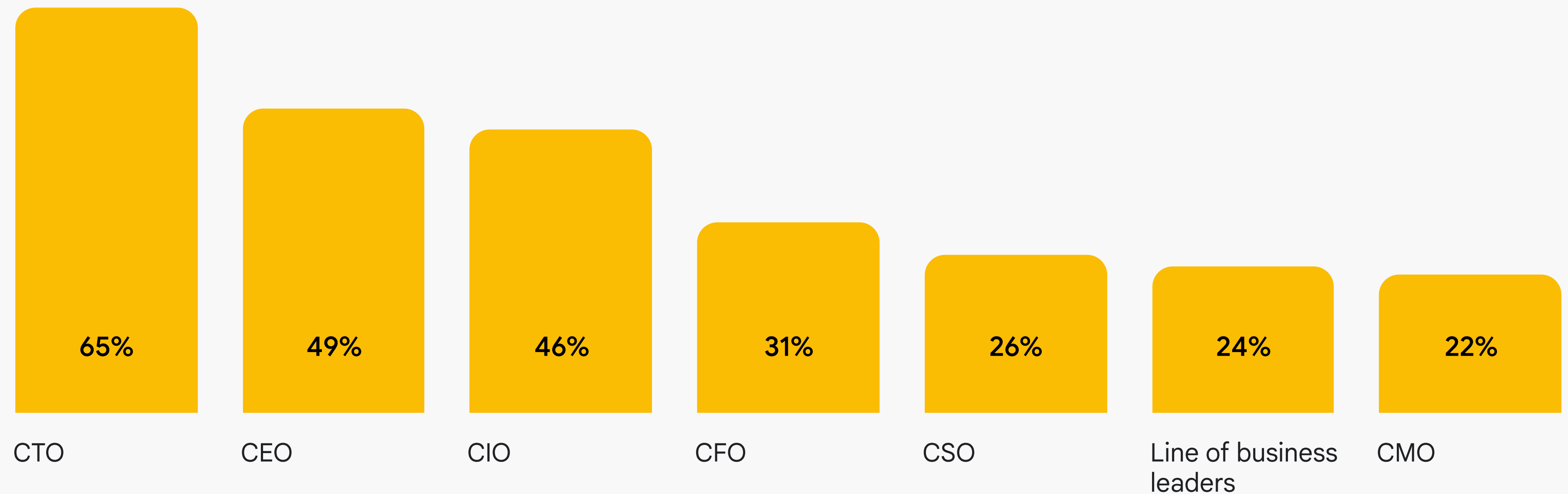
Total media & entertainment orgs (global)

Orgs with strong gen AI connection to business goals

⁹ Media and entertainment organizations currently leveraging gen AI in production and have strong gen AI connection to business goals: n=165; Total market - media and entertainment (global): n=263

To achieve this alignment, media and entertainment organizations are increasingly taking a collaborative approach. In fact, 72% of those in the industry say responsibility for driving gen AI strategy is shared¹⁰—and the roles are evolving. Traditionally, CTOs and CIOs lead technology and innovation workstreams, often in collaboration with the lines of business leaders. Today, CEOs and CFOs are also actively involved in driving gen AI strategy—highlighting the need for closer collaboration across the C-suite to ensure strategic goals are reflected in gen AI initiatives.

Leaders responsible for driving gen AI strategy¹⁰



¹⁰ Total market - media and entertainment (global): n=263



Reinvesting in innovation

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With 62%¹¹ of media and entertainment organizations intending to allocate at least half of their future AI budget toward gen AI, it's undeniable that technology is here to stay.

¹¹ Media and entertainment organizations organizations with defined funding plans for gen AI: n=251

Future AI budget allocated to gen AI¹¹

75% +

12%

50%

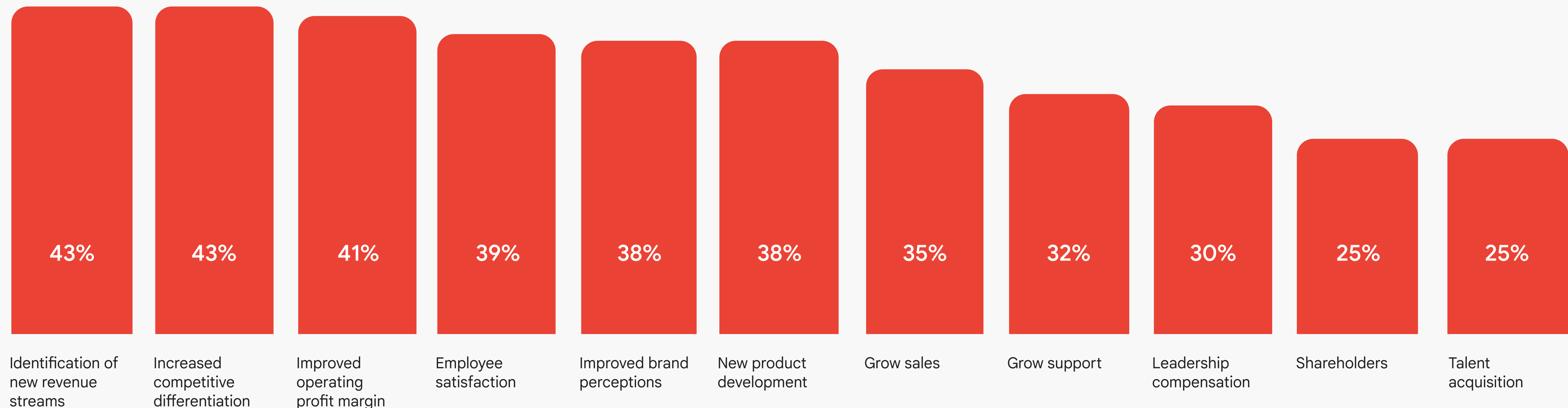
50%

<25%

35%

Media and entertainment organizations that realize gains from gen AI have their sights set on reinvesting across a wide range of priorities. In fact, 43% of respondents¹² plan to use the gains to identify new revenue streams, 43% to enhance their competitive difference, and 41% to increase profit margins. Can this virtuous cycle of innovation sustain itself? The potential is there, but it's crucial to ensure these early successes translate into long-term growth.

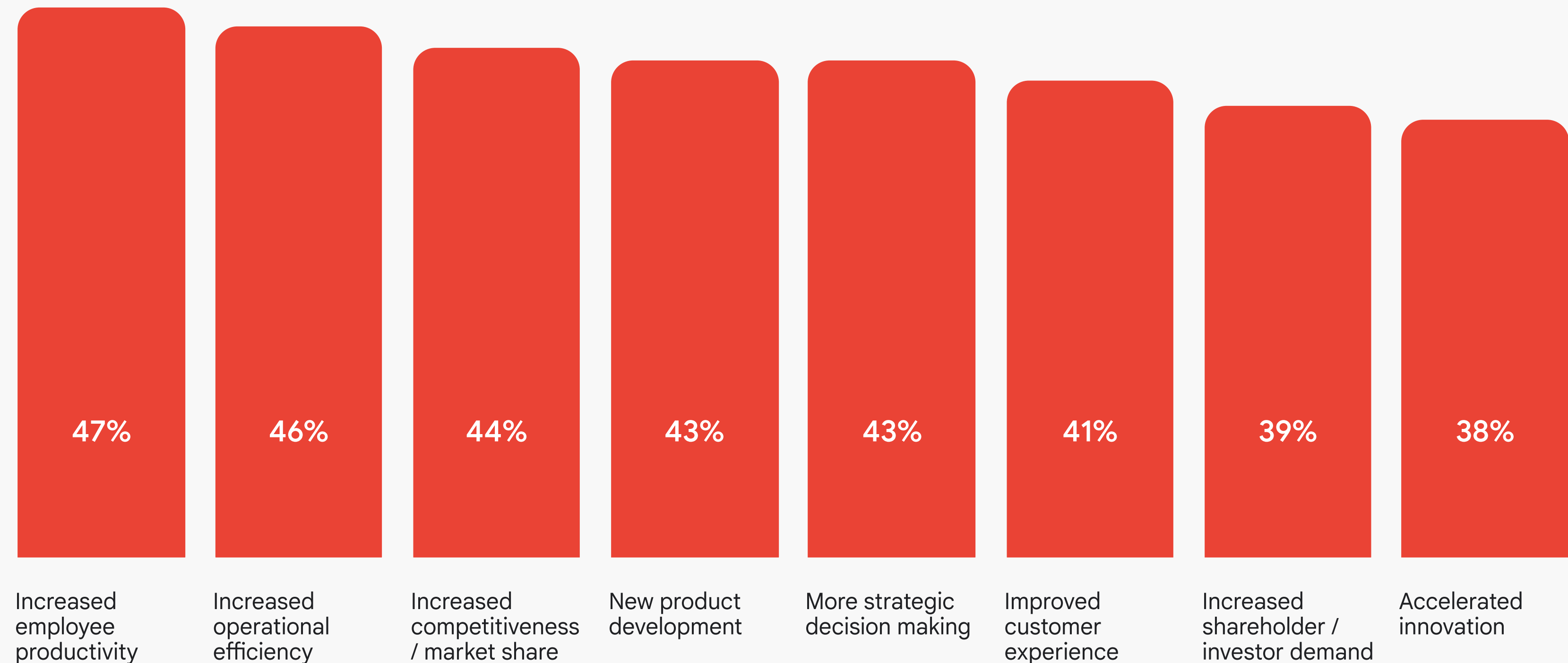
Ways organizations want to leverage gains from gen AI¹²



¹² Total market - media and entertainment (global): n=263

Over the next two to three years, media and entertainment organizations plan to use gen AI to address a range of objectives, with increasing employee productivity (47%) and improving operational efficacy (46%) at the top of the list.¹³ As these organizations embark on the journey, seemingly competing priorities may end up supporting each other. For example, more transformational initiatives like accelerated innovation and new product development—which are also in their sights—could help elevate the customer experience.

Planned business objectives to pursue with gen AI in the next 2-3 years¹³



¹³ Total market - media and entertainment (global): n=263



7 governance tips for successful gen AI implementation

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The media and entertainment industry is on the verge of an AI-powered transformation. However, harnessing the full potential of gen AI requires a thoughtful and strategic approach to governance. From ensuring ethical data practices to cultivating a culture of responsible gen AI adoption, organizations must establish a solid foundation to guide their gen AI journey.

Here are seven essential governance tips for media and entertainment organizations looking to successfully navigate the gen AI frontier:

01

Strategic alignment

Align gen AI with business goals, from personalized content to optimized ad spend.

02

Data stewardship

Ensure responsible data use, respecting IP rights, talent agreements, and audience privacy.

03

Transparent communication

Clearly convey how gen AI shapes content creation and distribution, especially for recommendations and ads.

04

Clear accountability

Define roles for developing, deploying, and overseeing gen AI, promoting ethical use.

05

Robust security

Safeguard gen AI systems and data, prioritizing creative IP and audience privacy.

06

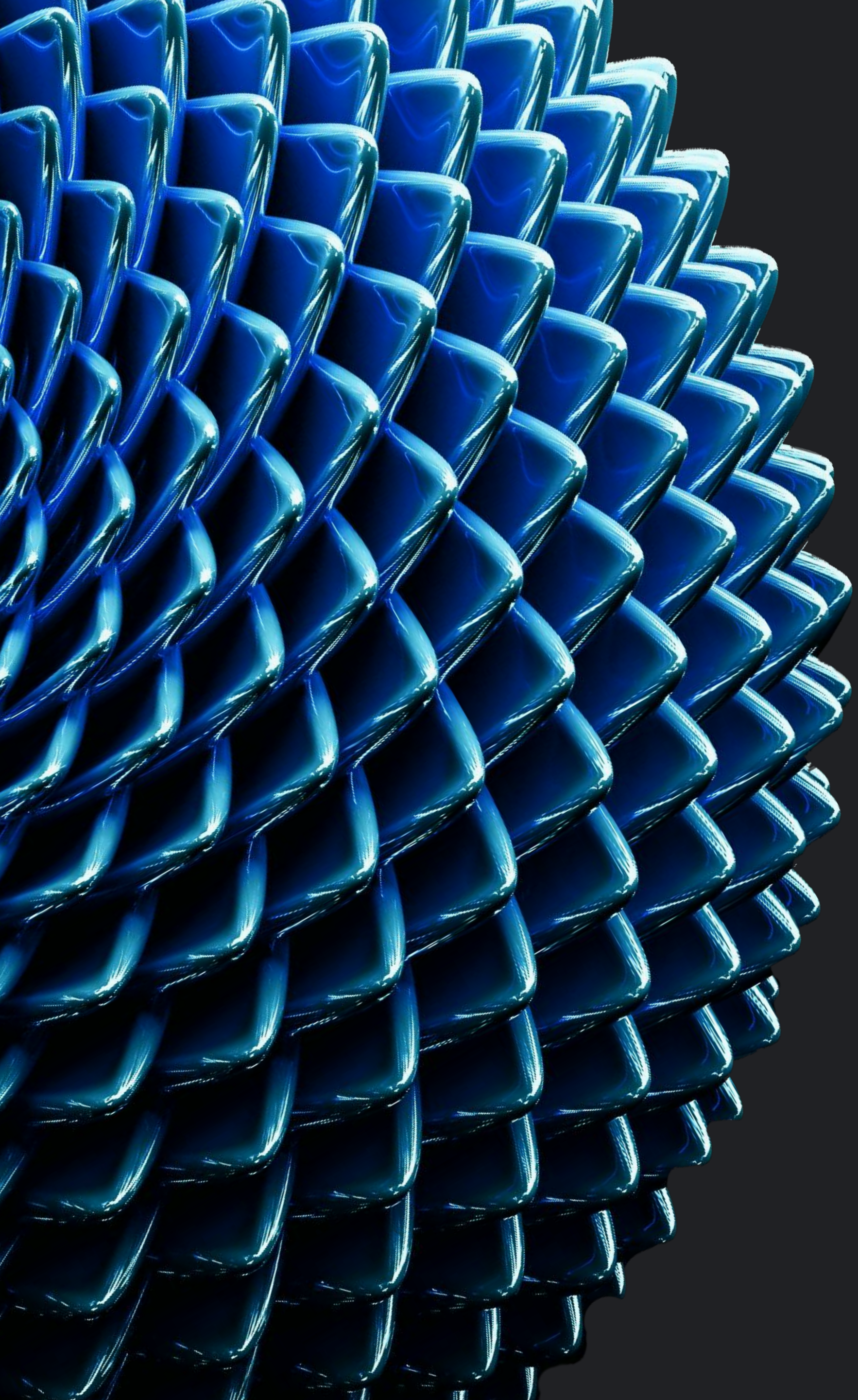
Employee empowerment

Upskill employees for an AI-driven environment, fostering gen AI literacy.

07

Cross-functional collaboration

Integrate gen AI seamlessly into workflows through collaboration between tech, creative, and business teams.



How Google Cloud helps organizations realize business value

Google Cloud helps organizations build transformative gen AI experiences with confidence and speed. Google's comprehensive AI stack, backed by a decade of research, empowers customers to access and customize leading foundation models, build and deploy gen AI applications with an integrated developer platform, boost productivity with AI agents, and develop their own models using Google Cloud's cutting-edge AI Hypercomputer infrastructure.

Methodology

A 14-minute online survey with a total of n=2,843 business leaders, n=263 from Media & Entertainment organizations.

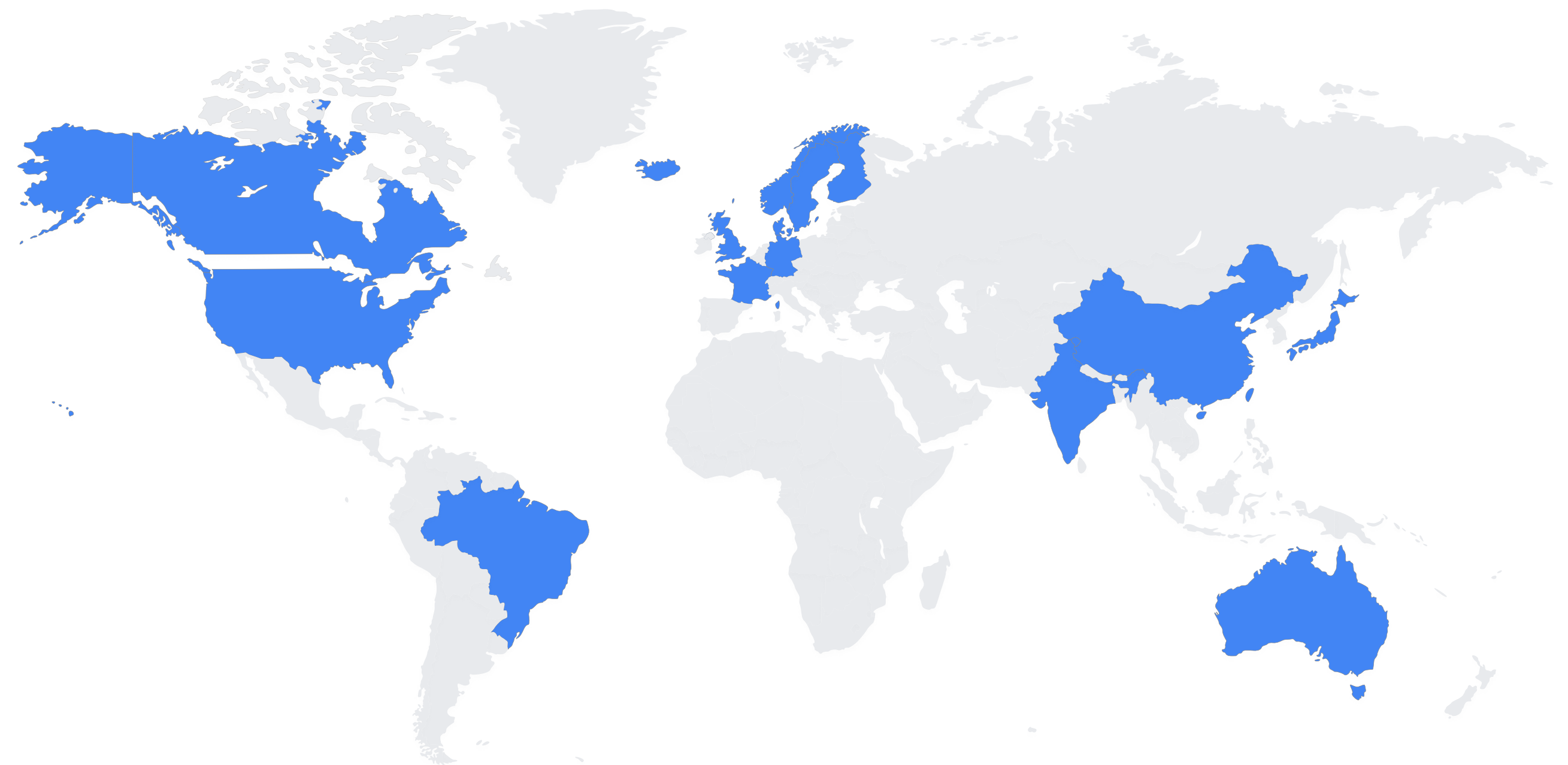
Upper-level, senior executive, and C-suite business leaders, including:

67 CEO, CIO

81 CFO, CMO, CTO

72 CISO, CDO, CSO, COO,
Director of Digital Strategy, VP of IT

43 IT Director, Head of Innovation



NorthAm 110
LATAM* 20

EMEA 55
APAC 78

*Low base (n<100)

Over
100
full-time employees

Over
\$10m
annual revenue

Must be at least interested in gen AI use cases

A robust representation from priority industries

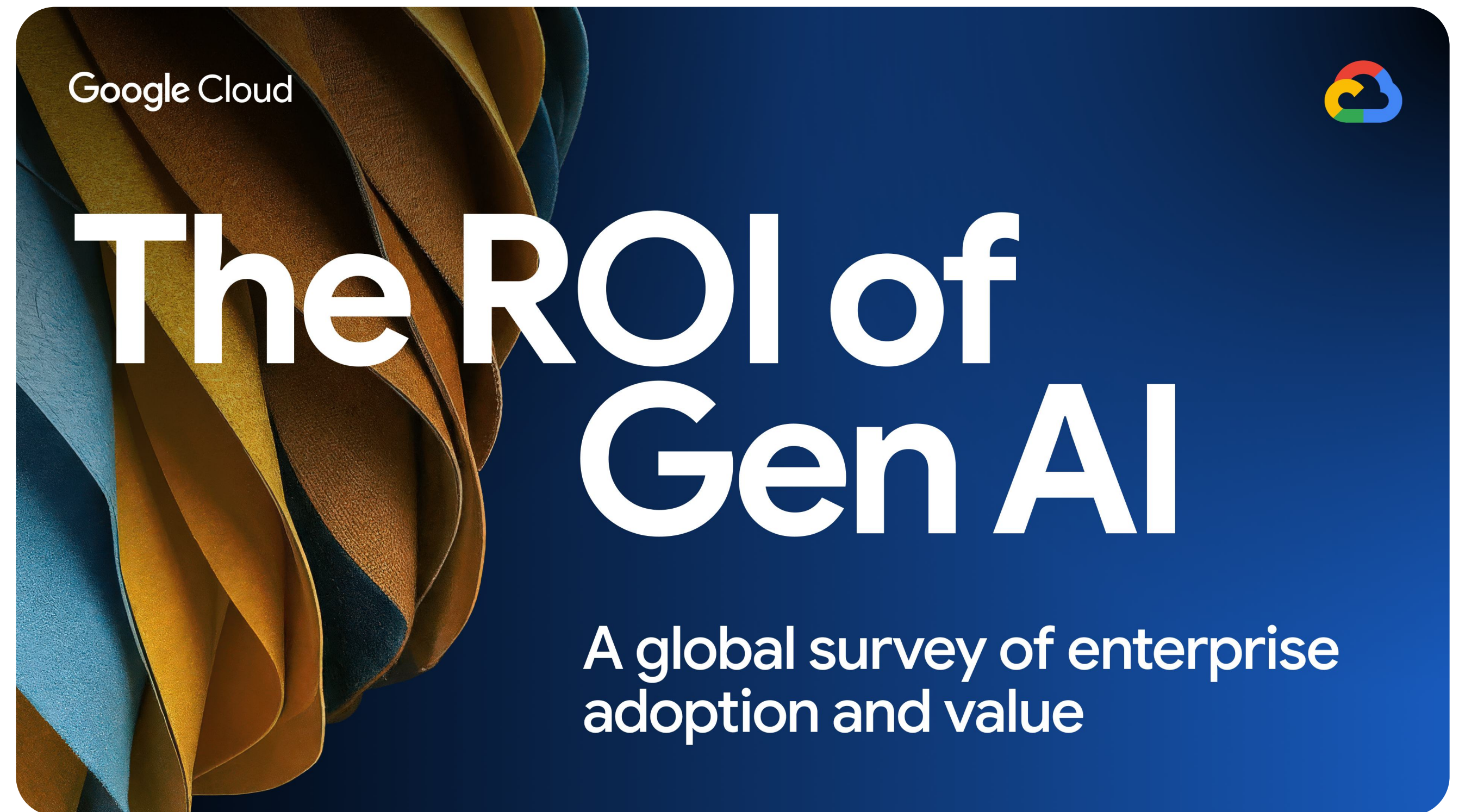
Global fieldwork conducted across 19 countries from February 23 - April 5, 2024
Additional North America augment fieldwork conducted July 2-24, 2024



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