

About the Deloitte Al Institute

The Deloitte AI Institute helps organizations connect all the different dimensions of the robust, highly dynamic and rapidly evolving AI ecosystem. The AI Institute leads conversations on applied AI innovation across industries, with cutting-edge insights, to promote human-machine collaboration in the "Age of With". Deloitte AI Institute aims to promote a dialogue and development of artificial intelligence, stimulate innovation, and examine challenges to AI implementation and ways to address them. The AI Institute collaborates with an ecosystem composed of academic research groups, start-ups, entrepreneurs, innovators, mature AI product leaders, and AI visionaries, to explore key areas of artificial intelligence including risks, policies, ethics, future of work and talent, and applied AI use cases. Combined with Deloitte's deep knowledge and experience in artificial intelligence applications, the Institute helps make sense of this complex ecosystem, and as a result, deliver impactful perspectives to help organizations succeed by making informed AI decisions.

No matter what stage of the Al journey you're in; whether you're a board member or a C-suite leader driving strategy for your organization, or a hands on data scientist, bringing an Al strategy to life, the Deloitte Al institute can help you learn more about how enterprises across the world are leveraging Al for a competitive advantage. Visit us at the Deloitte Al Institute for a full body of our work, subscribe to our podcasts and newsletter, and join us at our meet ups and live events. Let's explore the future of Al together.





Al-Human partnership will supercharge creative output

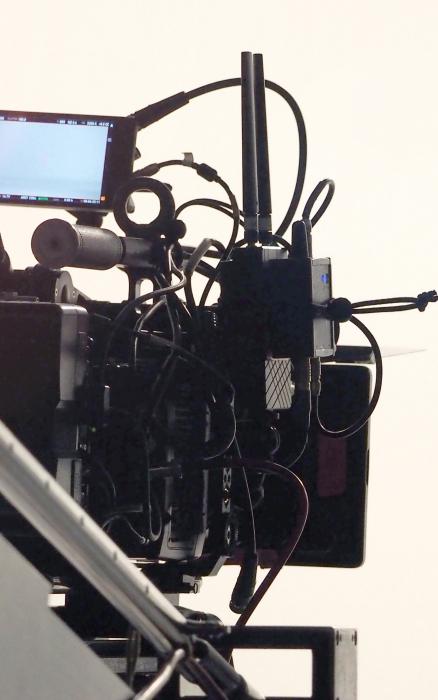
The rapid evolution of AI image generation capabilities over the past 18 months has been remarkable. Within the span of 18 months, GenAI image tools have evolved from generating outputs resembling interpretive art pieces to hyper-realistic images that blur the boundaries between artificiality and reality.

Such progress demonstrates Al's potential as a versatile creative partner for artists and designers. The industry also reflects this sentiment. Sejal Amin, Chief Technology Officer at Shutterstock, shared her insights, "There are many different ways content creators and artists are looking at what the emergence of Generative Al technologies will mean for their workflows and craft. At Shutterstock, we're excited to embrace Al as another creative tool that will allow marketing professionals to supercharge the creative process while simultaneously ensuring that artists are compensated for the role their content IP plays in the process."

Amin's perspective elucidates the growing value of AI in creative domains. When incorporated thoughtfully into workflows, AI systems promise to augment human imagination and expand artistic frontiers. The technology serves not as a standalone creative force, but as a collaborator that can help actualize human vision. It provides a means to quickly visualize and iterate on concepts, directions that may inspire new creative perspectives—expanding the creative palette.

Rather than the threat of replacement, these systems point toward Al empowering creativity. With human and Al in partnership, new artistic possibilities emerge.





Media production will become 'Al-First'

Al's potential extends far beyond individual elements of creativity and media production. It's gradually laying the foundation for a new media value chain model where all aspects of the creative process commence with GenAl and conclude with human refinement, a principle we refer to as "Al-first."

Consider *The Frost*, a movie kick-started by GenAl and honed by human expertise, developed by Waymark Creative Labs. The initial production involved Al-generated scripts, voiceovers, sound effects, and imagery, which were later shaped and fine-tuned by human creative professionals. This blend of Al and human creativity—a pioneering approach in the world of cinema—provides a compelling glimpse of a future where GenAl initiates and revolutionizes the media creation process, while humans bring the finishing touches that add depth and appeal to the content.

The journey towards an AI-first approach is certainly underway, as highlighted by the perspectives of industry influencers. Arianna Bocco, former President of IFC Films, reflected on the advent of AI in media production. "Like any new tool it can be scary as we don't understand the full impact of what it can do or the implications of how it will change the industry. But the bottom line is that it will change the industry and there can be a lot of positive impact within that change," she expressed.

Bocco's thoughts are indicative of a trajectory that's gaining momentum, even though a full consensus has yet to emerge. Her words underline the growing recognition that the integration of AI technology and human creativity can catalyze a significant paradigm shift in media production. With an 'AI-first' approach, the industry stands to gain from AI's capacity for initial ideation and creation, complemented by the essential refinement and perfection delivered by human hands.

The risk of content commoditization is real





Differentiation will be achieved through data-driven, adaptive content

Amidst this landscape, a new value proposition is emerging for the media industry as the source of value and differentiation shifts from content to interaction. Companies that can effectively harness the wealth of data generated through media consumption—through an interactive content/data feedback loop—will carve out a competitive edge. This future emphasizes the importance of understanding and responding to audience behaviors and preferences in real-time, effectively targeting and interacting with a segment of one.

The implications are profound; by leveraging GenAl and data, media platforms can transition from one-way content delivery mechanisms to interactive, two-way systems. Instead of merely feeding audiences pre-set content, the media of the future will dynamically adapt to individual preferences, create personalized experiences, and interact with audiences in real-time. They help choose the storyline.

Picture a world where advertisements evolve from static images or videos into interactive dialogues tailored to individual consumer preferences or questions. Envision a movie that evolves in real time, adjusting its narrative based on audience sentiment or selections. Imagine a mixed reality experience that blends digital and physical worlds in a highly personalized narrative—a live 3D sporting event with stats unfolding on a dining room table.

Shifting from static to such adaptive content fundamentally alters the business landscape. As Al drives down content generation costs, consumer expectations will simultaneously evolve and the real value will lie in mastering an interactive content-data loop. To overcome the risks of content commoditization with a proactive strategy, businesses should consider adopting sophisticated, automated systems that allow real-time personalization of dynamic, interactive content based on usage and customer data. This transition is monumental. Multi-billion-dollar industries may need a total overhaul of traditional strategies and processes. Hence, the future of media lies in adaptability, innovation, and effectively harnessing Al, and particularly the latest derivative: GenAl.



Author



Baris Sarer
Consulting Principal, Deloitte Consulting LLP
TMT Strategy and Analytics
bsarer@deloitte.com

Deloitte.

This publication contains general information only and Deloitte is not, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor.

Deloitte shall not be responsible for any loss sustained by any person who relies on this publication.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the "Deloitte" name in the United States and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see www.deloitte.com/about to learn more about our global network of member firms.

Copyright © 2023 Deloitte Development LLC. All rights reserved.