



Consumers Give GenAI Mixed Reviews



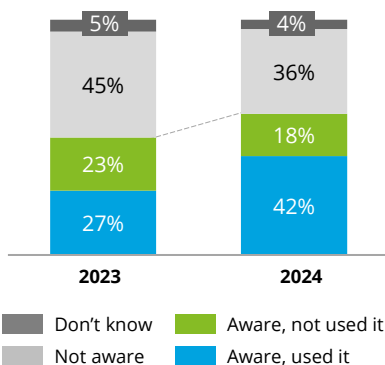
For media and entertainment companies, automated content creation should be a game changer. Yet, Deloitte’s 2024 Digital Consumer Trends survey suggests that generative AI (GenAI) is experiencing some significant growing pains.

While GenAI could make it much easier and quicker for media and entertainment companies to create personalised content and advertising, people are becoming more alert to the technology’s flaws, such as a tendency to hallucinate or provide biased information. Among the other key survey findings are signs of a slowdown in the entertainment subscription market and growing awareness of the drawbacks of relying on social media for news.

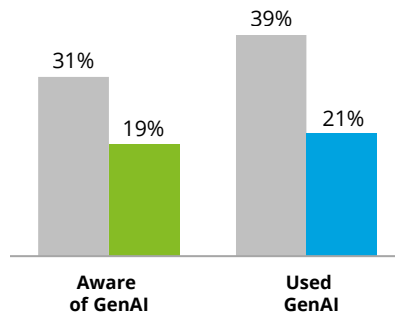
GenAI adoption is up, but confidence is down

Some 42% of the 2,000 respondents in the survey claimed to have used Gen AI, a 15 percentage-point increase on 2023, but confidence in the technology’s reliability has fallen markedly: Only 21% of Gen AI users agreed that it always produces factually accurate answers, compared with 39% in 2023 (see graphics 1 and 2).

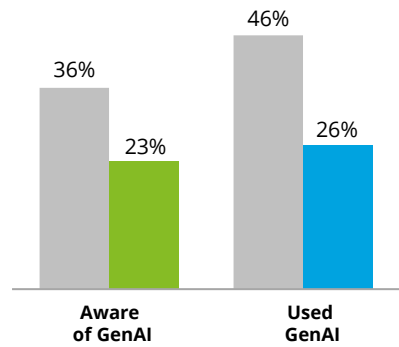
Graph 1. Which GenAI tools are you aware of?



Graph 2: Confidence in GenAI
GenAI always produces factually accurate responses



GenAI responses are unbiased



Respondents who agree: 2023 2024

That suggests that media and entertainment companies need to be very careful as they use generative AI to help produce seemingly factual content, such as news or educational materials. To build trust in the technology, media companies should be highly transparent about how they are using Gen AI. They also need to clearly communicate how Gen AI works and its limitations to both employees and customers.

It is not just so-called factual content that is being regarded with suspicion. The survey uncovered growing resistance to AI-generated music. Some 42% of the respondents said they would be less inclined to listen to music if they know it was produced by generative AI, up from 28% in 2023.

Survey reveals growing usage of generative AI, but also scepticism about its output

Employees experiment with GenAI outside of work

Despite consumers' reservations, media and entertainment companies have no choice but to embrace GenAI – if they don't they will surely lose market share to rivals exploiting the technology's ability to dramatically boost productivity. From this perspective, employers should be heartened by the number of Dutch people who have tried GenAI and are gaining some familiarity with this technology.

Yet the consumer survey suggests GenAI adoption at work is lagging far behind personal usage. While one in five Dutch adults have now used GenAI at work, the research shows most employers across the economy are not yet actively encouraging use of the technology. However, in Deloitte's experience, media and entertainment providers are experimenting with the technology, as they are well aware of its disruptive potential.

More compelling customer care?

More than half the respondents in the survey said they would be less inclined to trust emails or customer services interactions if they knew they were generated by AI. Again, this finding underlines the need for consumer-facing businesses to build trust in the technology. At the same time, consumers may feel that they are less valued by businesses that use AI, rather than human beings, for customer service. Ideally, GenAI should be positioned as improving quality, not reducing cost, and sensitive interactions should still be handled by humans.

Limited interest in immersion

GenAI can play a pivotal role in helping media and entertainment companies to create more immersive experiences. It could be used, for example, to render virtual environments, potentially helping the industry to create more compelling content for virtual reality (VR) headsets. Yet, the survey shows that most consumers are still not interested in VR. While VR headsets have been available for a decade or so, only 6% of respondents own one, down from 7% in 2021. Among the 6%, only 12% are using a VR headset daily. That implies VR is nowhere near a tipping point.

Too many subscriptions, not enough time?

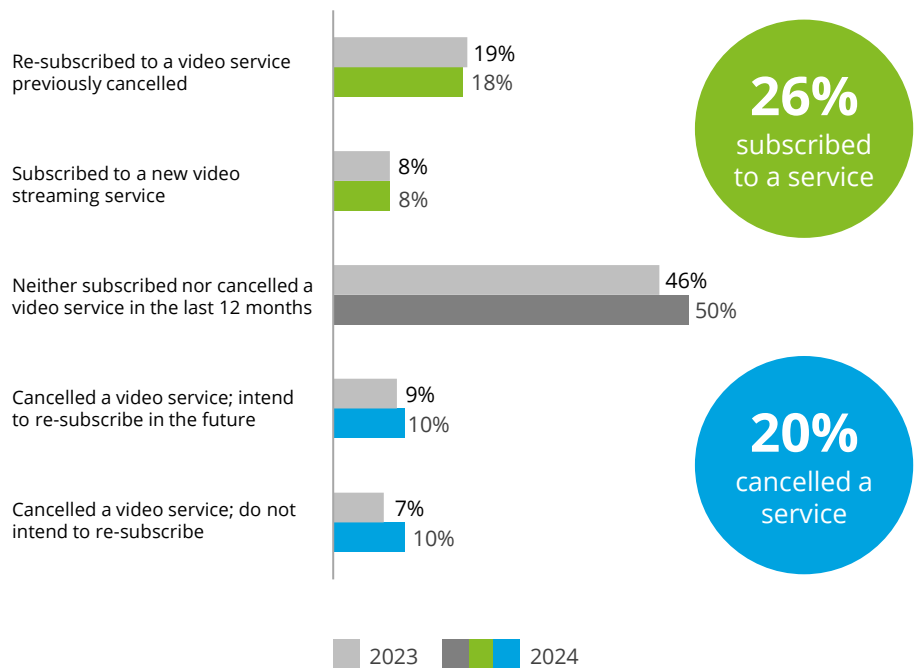
Meanwhile, consumers' appetite for subscription entertainment services appears to have been largely sated. The survey indicates the subscription market is maturing quickly – half of consumers didn't change their subscriptions in 2024 (see graph 3).

Of the 20% of respondents that cancelled a subscription in 2024, one third said they didn't use it enough, while a further 14% said they only needed it temporarily, pointing to a growing trend for consumers to subscribe to services just to access specific content.

While there is growing concern about what the shift to video-on-demand means for scheduled television news and the extent to which citizens keep themselves informed, the survey shows that TV remains most people's primary source of news (selected by 59% of respondents).

Although more than one in four consumers now prefer to get their news from social media, many double check whether news on social media is true. To that end, 28% cross-reference the information across multiple sources, while 25% check other news channels and 23% verify the source of the information. Just as with GenAI, many consumers are now clearly aware that social media isn't infallible.

Graph 3. Have you changed your video streaming service subscription in the last year? (multiple answers allowed)



What are the implications for media and entertainment companies?

- To be prepared for the future, media and entertainment companies should embrace AI, integrate it into their strategy, and encourage and nurture many employees' interest in GenAI.
- To build trust in GenAI-created content, media and entertainment companies need to be very transparent and ensure they have sufficient checks and balances in place to safeguard quality and accuracy. [Click here](#) for more on how to build trust in GenAI.
- Rather than just exploring quick wins or smaller point solutions, media and entertainment companies should explore how GenAI can transform their businesses, while proactively managing the risks and optimising the source data - GenAI is only as good as the data it is based on.
- To encourage customers not to cancel subscriptions, media and entertainment companies should consider:
 - offering loyalty programmes and other incentives to consumers who stay engaged with their services.
 - building partnerships with other platforms, sharing a portion of profits with partners who help reduce churn. At the same time, streaming services are increasingly partnering with each other to share content, shifting away from the previous focus on solely their own platforms.
- Content providers should look to further develop advertising-supported video-on-demand services.



For all insights, [download the full report here](#)

This year's report features a country comparison with Italy, the United Kingdom, Belgium, Sweden, Denmark, and Norway.

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