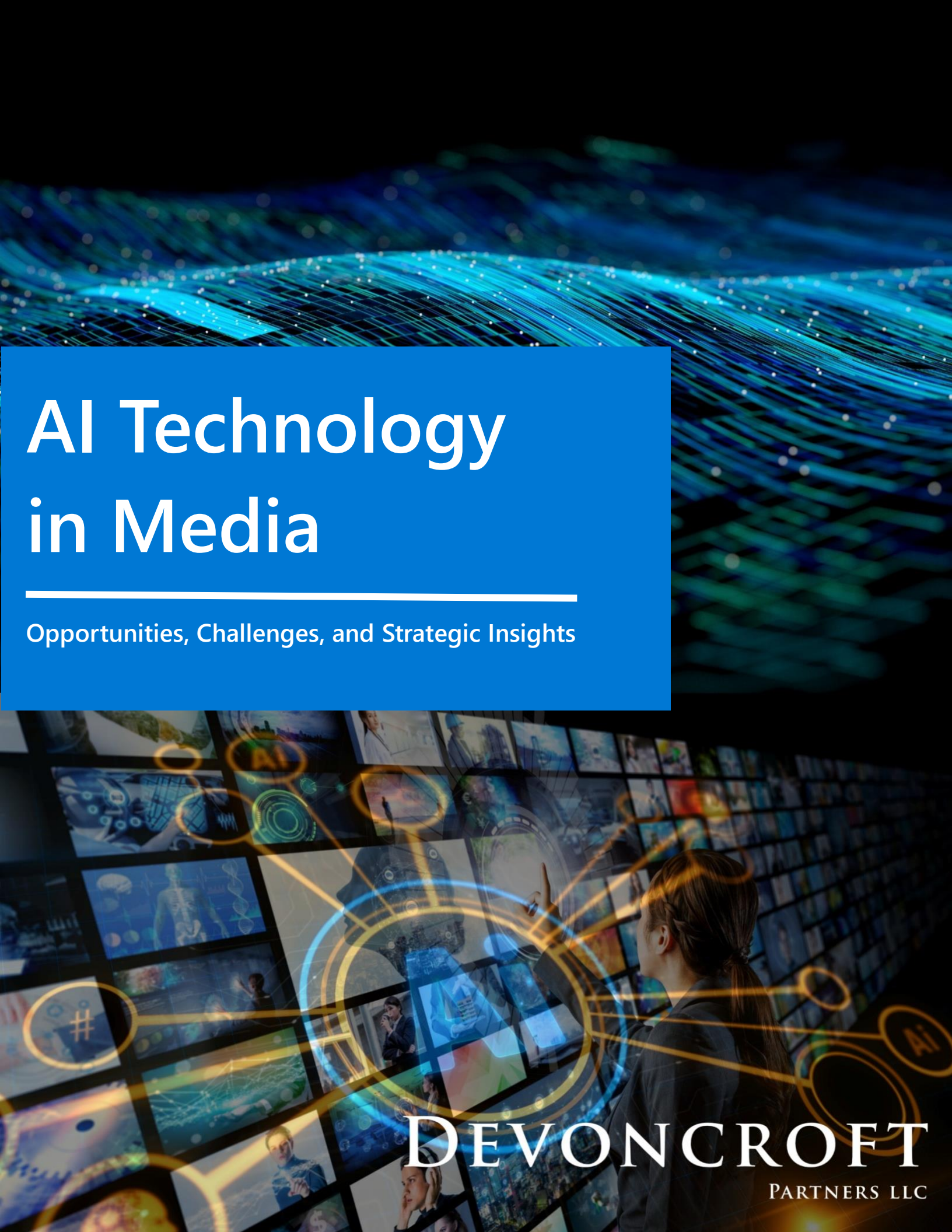




AI Technology in Media

Opportunities, Challenges, and Strategic Insights



DEVONCROFT
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About Devoncroft Partners

Devoncroft Partners provides market research and strategic consulting services to a wide range of clients, including technology suppliers, media companies, broadcasters, name brand consulting firms, and financial institutions.

Devoncroft works primarily in the media technology sector, where we are widely recognized as thought leaders in market intelligence and strategic industry analysis. For more information: [Devoncroft.com](https://www.devoncroft.com).

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Introduction

Artificial intelligence (AI) is the dominant topic of discussion in the global media technology sector. The trend is set to define technology investment decisions for the next decade. This moment coincides with a media environment desperate for organic avenues to generate foundational efficiencies and drive incremental revenues. Add to this confluence the idiosyncrasies of how the media industry adopts new technologies, and we expect the technology decisions made over the next 12 – 18 months to have a prominent role in the future of the media industry.

In 2024 Microsoft commissioned Devoncroft Partners to analyze the strategies media companies are adopting to cope with the dynamic and competitive media and entertainment landscape, including how they will invest and innovate around Generative AI and other emerging technologies in 2025 and beyond.

This research initiative contributes to the industry discussion by investigating how AI will come into media workflows and offering a foundation to the business case justification to encourage increased levels of technology investment. It draws on Devoncroft's ongoing research in the media technology sector and incorporates insights from interviews we conducted with over 60 senior global executives in Q4 2024 and Q1 2025.

Massive investment, Foundational Infrastructure

During its fiscal 2025 second quarter (January 29, 2025) earnings call, Microsoft CEO Satya Nadella offered commentary on Microsoft's thesis for allocating capital to the AI opportunity. The statement (below) illustrates the speed of AI technology progress.

"AI scaling laws are continuing to compound across both pre-training and inference-time compute. We ourselves have been seeing significant efficiency gains in both training and inference for years now. On inference, we have typically seen more than 2X price-performance gain for every hardware-generation, and more than 10X for every model generation due to software optimization."

Applying the above, each combined iteration of hardware and software advancement yields 20x compounded gains. Put in the language of business, holding output constant, what is accomplished with \$1 spend in generation one reduces to \$0.05 in generation two. Across two generations of gains a constant x of input becomes 400y of output – after three generations 8,000y. Analogies are unnecessary to illustrate the speed of advancement, the math of compounding is sufficient.

Downstream from the multi-billion-dollar investments in core AI capabilities are intended enterprise users, including media companies.

We truly believe NBA Insights on the NBA App is the future of basketball, serving in-the-moment insights and giving everyone who loves the game a more engaging experience.

This paper discusses how AI technology is likely to come into the media industry, potential use cases for this technology, the state of selected current AI implementations, and opportunities and challenges associated with future deployments.

Although skepticism remains, enthusiasm for the potential impact of AI technology in the media sector is unparalleled. Many executives called it a ‘game changing’ technology while describing commercial benefits including increased efficiency, higher revenue generation, and deeper engagement with viewers and fans.

“We truly believe NBA Insights on the NBA App is the future of basketball, serving in-the-moment insights and giving everyone who loves the game a more engaging experience.”

– Syndey Saracheck:
*AI Technology Lead at the NBA*¹

This sentiment emerged frequently during our project interviews.

Hyperscalers have made significant investments in foundational AI infrastructure, establishing a base that the media industry is now looking to build upon. The question for many in media is where and how to start.

Why AI Now?

The Media Technology Environment

Devoncroft has tracked major technology developments in the media industry since 2009 through our annual global study of media technology end-users, comprehensive market sizing report, and ongoing dialogue with senior-level industry executives at end-users, media service providers, and technology suppliers.

We’ve synthesized our insights into a media technology adoption tracker, which visually represents the progression and adoption rates of various technologies over time. This chart highlights the generational technology shifts in media, illustrating how the industry has embraced new advancements over time, from HD and file-based systems to the adoption of cloud-based operations to the emergence of AI technologies.

Technology deployments in the media industry are characterized by their generational nature, often lasting many years and

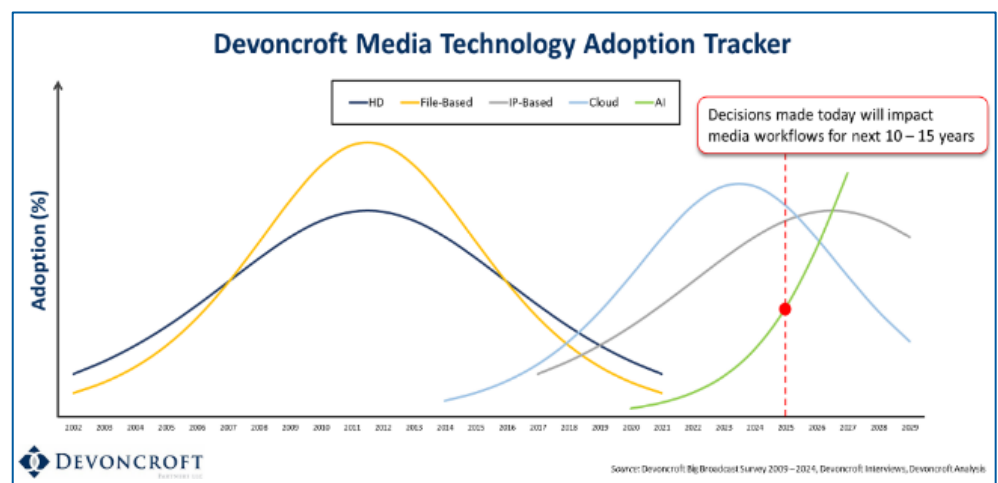


Figure 1: Major Media Technology Transitions

¹ Microsoft Azure Case Study, retrieved February 24, 2025

significantly shaping the landscape for subsequent innovations. This historical continuity means that few organizations have the luxury of starting from scratch, leading each new generation of technology to be heavily influenced by its predecessors.

Successful AI implementations in media require cloud-based technology as a prerequisite because cloud environments provide the necessary infrastructure to access and manage data, which is fundamental for deploying AI effectively. Indeed, interviewees cited the ability to leverage AI as a primary benefit for transitioning their media operations to cloud-based environments. This is particularly the case for digitally native companies, as well as larger organizations who are better positioned to take full advantage of AI due to their more substantial developer resources and greater capacity for innovation.

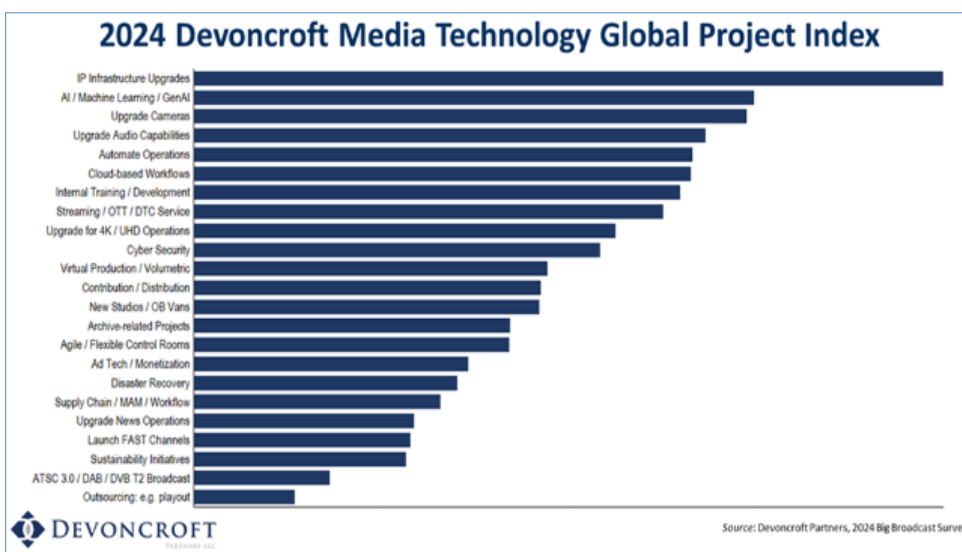
Consequently, the decisions being made today are crucial; they will dictate the direction and capabilities of the media industry for the next 10 to 15 years, impacting workflows and strategic opportunities significantly.

The decisions being made today are crucial; they will dictate the direction and capabilities of the media industry for the next 10 to 15 years

Our research indicates that AI projects are the second most frequently budgeted technology initiative globally in the media sector. More than 30% of respondents in our annual industry tracking study reported allocating budgets for AI projects for the next 12 to 18 months, making it the second most budgeted project in 2024, up dramatically compared to previous years.

However, it's still early days for AI adoption in media, and our data indicates that many budgeted projects are being conducted in either a controlled environment or less strategic portions of media workflows.

These findings are consistent with what we heard from project interviewees, many of whom are conducting multiple proof-of-concept (POC) trials of AI technologies in various parts of their organizations.



Many media companies reported that they are refining their procurement processes specifically for AI technologies to speed up user adoption. A common strategy among these organizations is the formation of specialized committees.

A case in point is Disney, which established the Office of Technology Enablement (OTE) in November 2024. According to a memo from Disney co-chairman Alan Bergman, obtained by

Figure 2: DevonCROFT M&E Project Index

Deadline, the purpose of the OTE is to position Disney as a leader in cutting-edge and significant technological fields, including Artificial Intelligence (AI). Jamie Voris, the CTO of Studios, was appointed to lead OTE, with the goal of fostering broader AI adoption across Disney's various entertainment divisions. Bergman's memo clarifies that OTE is not meant to centralize or take over the work in these areas but to catalyze it.

The Media Business Environment

The media sector faces significant economic challenges from various angles. AI technology presents an opportunity to enhance overall competitiveness and business performance.

Interviewees concur that for AI investments to be valuable to media companies, they must either significantly enhance efficiencies in media processes, particularly in content creation, or create new, profitable revenue streams.

Achieving substantial cost reductions in content creation remains a longstanding challenge within the industry. This sentiment is frequently echoed by industry executives, including Sony Pictures Chairman and CEO Tony Vinciguerra. During a May 2024 investor event in Japan, he emphasized the company's focus on AI to tackle these issues.

"We are very focused on AI. The biggest problem with making films today is the expense. And we need to find ways to produce films in a more efficient way. We will be looking at ways to use AI to produce both film for theaters and television using AI primarily."²

For AI investments to be valuable to media companies, they must either significantly enhance efficiencies in media processes, particularly in content creation, or create new, profitable revenue streams.

While the high cost of feature film production makes it a prime target for increased efficiency, the need for cost reduction extends across all types of content creation and management. This includes areas such as news, sports production, ad creation, distribution and delivery, and monetization – all of which are under increasing commercial pressure.

Media Use Cases

The following table highlights the business environment impacting each use case, illustrating how AI technologies can potentially enhance operational efficiencies and deliver significant commercial benefits.

² Sony Business Segment Meeting, May 30, 2024

Business Environment	Potential Efficiencies	Potential Commercial Benefit
Editorial Scriptwriting		
- Increased competition for new content - Business imperative to shorten time-to-market from idea to production	- Script analysis, enhanced research - Integrated legal guidelines, style conforming	- Higher content velocity decreases time to revenue - Market analysis feedback into script production to better align with audience interests
Content Creation		
Enormous pressure to modernize content creation process – decrease production costs, time-to-market	- Automated storyboard generation - Frame generation for animation genre - Metadata capture and analysis - Accelerating editing, VFX, and finishing workflows	- Higher content velocity decreases time to revenue - Automate supply chain driving international licensing and syndication - Auto-create complementary content to better market content and engage with fans
News Productions		
- Increased competition from multiple platforms - Story-centric production requires increased content production velocity - Need to maintain trust in brand and integrity of newsroom	- Voice-based control of newsroom studio and equipment - Automation of clip creation - Integrated legal guidance into journalist workflows - Deepfake detection, content verification	- Multi-platform publishing, including vertical video - Automated generation of personalized and hyper-local content - Increased content velocity provides more avails
Sports Productions		
- Cord-cutting and increasing cost of rights drives need for new revenues - Need to cover and produce more events with same or fewer resources - Publish to multiple platforms with different viewer personas	- Automate camera shading - Automate portions or entire production of live events - Automated clipping and highlight generation - Complement broadcast with auto-generated multi-language commentary and real-time analytics	- Premium sponsorship and advertising opportunities from insertion, overlays added into broadcast - Syndication of data and analytics to third parties - Exploit gaming opportunities, targeted at appropriate viewers - Enable premium interactive experiences - Publish complementary content on secondary platforms

Business Environment	Potential Efficiencies	Potential Commercial Benefit
Content Management		
• Better leverage content libraries to drive incremental, profitable revenue streams • Lower operating costs of running media organization	• Automate tasks of ingest, indexing, metadata tagging, quality control, and synopsis generation • More effective archive search and retrieval • Accelerate content localization, including transcription, translation, and dubbing • Content and sentiment analysis to create ad insertion markers • Elimination of duplicative storage of content assets	• Understand current rights entitlements/obligations to determine incremental licensing opportunities • Leverage improved video tagging, indexing to drive premium advertising outcomes
Promo & Advertising Creation		
• Pressure on all media businesses to increase monetization opportunities	• Automated storyboarding/scripting • Text-to-video and other AI technologies can reduce production costs and reliance on third party agencies/service providers • A/B testing at scale to refine creative assets	• Savings from AI-driven ad creation can be applied towards ad placement budget, increasing reach for brands and incremental revenue opportunities for media companies
Content Distribution		
• Requirement to deliver to increasing number of end points at lower cost • Shift towards IP-based distribution creates new opportunities to reach users	• Integrated contractual and rights management • Intelligent network distribution path design • More efficient compression, asset packaging	• Scaling personalization, recommendation, targeted advertising • Analysis of subscriber viewing preferences to tailor content recommendation and user experience

How AI Comes to Media Workflows

Applications

At a high level, AI is expected to enter the media industry in much the same way as it will do so across other sectors, focusing on enhancing back-office functions and boosting productivity through tools like co-pilots and developer assistants. Virtually all media companies are actively exploring or implementing these AI solutions.

While these tools undoubtedly enhance general productivity at media organizations, their use is distinct from deploying AI technologies in media operations, where specialized functionality is required for handling the unique demands of media-specific processes, and careful integration into existing systems and workflows is an essential consideration.

Looking specifically at the impact of AI on media operations, our research indicates a broad spectrum of applications where AI can enhance productivity by automating or augmenting manually intensive tasks, allowing operators to focus on more creative aspects of their roles where human expertise is irreplaceable.

In Devoncroft's annual BBS Research, we surveyed more than 1,000 relevant industry professionals globally—focusing on end-users rather than vendors.

We asked them to identify which single use case would be the most impacted by AI technologies in their organization over the next 2-3 years, which one would be the second most impacted, and which additional use cases would also be significantly impacted.

The table to the right visually represents the results of this exercise, providing a clear depiction of which areas within media technology are expected to see the most significant AI influence.

We normalized these results by applying a statistical weighting to the data, based on how respondents ranked the expected impact of AI technology on each use case within their organization.

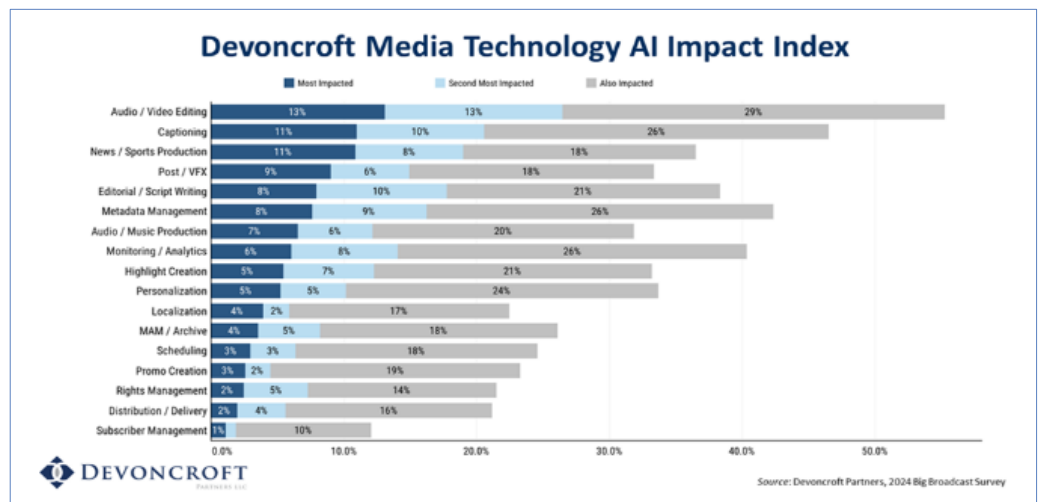


Figure 3: Devoncroft M&E AI Impact Importance

The use case with the highest impact was assigned a value of 100, and all other use cases were scaled relative to this benchmark. This approach ensures a precise and standardized measurement of the anticipated impact of AI across different areas of the media industry, reflecting the relative importance of each use case over the specified time frame.

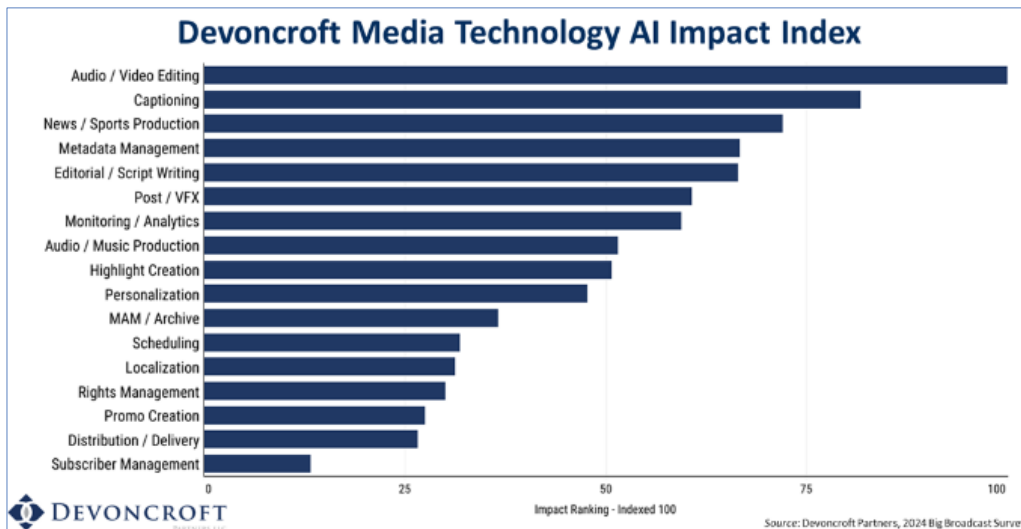


Figure 4: Devoncroft M&E AI Impact Index

This data can be categorized into several key areas:

1. **Applications that blend creativity with labor-intensive activities**, such as audio/video editing, captioning, news and sports production, visual effects, and editorial/script writing, and audio/music creation are expected to be early beneficiaries of AI technology. The introduction of AI in these fields is anticipated to streamline operations and boost efficiency, enabling professionals to focus more on creative and strategic endeavors.
2. **Technically intensive tasks** such as metadata management, monitoring/analytics, rights management, scheduling, and subscriber management are particularly well-suited to benefit from AI's capabilities. These functions require managing and analyzing large volumes of data at a scale that exceeds human capacity, making them ideal for AI integration. AI's ability to efficiently process and analyze extensive datasets can significantly enhance productivity and accuracy in these areas.
3. **Workflow components that typically consume substantial time and often involve external agencies**—such as highlight generation, multi-platform publishing, promo and ad creation, and the personalization of content and advertising experiences—are prime candidates for partial automation through AI technologies. AI can streamline these processes, reducing reliance on external parties and accelerating production timelines.

The combination of all these capabilities will unlock a new array of content monetization for media companies, and media companies are already reporting positive returns on their initial AI investments in these areas.

Providers

The media industry, while vast in influence, is relatively small and extremely fragmented compared to other sectors.

The Devoncroft Market Sizing Report, considered the leading authority for industry market sizing and forecasting, indicates that the total revenue from all media technology products and services reached \$64

billion in 2024. Within this, managed services contributed 56%, while hardware and software product sales made up 44%.

To contextualize the scale of investment in the media technology sector, consider that the four largest hyperscalers collectively spent over \$200 billion on capital expenditures in 2024, primarily to support services such as cloud computing, storage, and foundational AI services. This expenditure exceeds the annual supplier revenue from all product sales across the entire media industry by more than sevenfold, highlighting the vast disparity in financial capacity between these sectors.

From this stark comparison, two conclusions are evident: (1) specialized media technology vendors cannot match the investment capacity of hyperscale technology providers, and (2) this significant scale difference also deters these hyperscale providers from delving into specialized layers of the media technology architecture.

Perspectives on how these cohorts should work together vary considerably across media technology organizations, but economic realities necessitate a form of partnership where each plays to their strengths—hyperscalers focusing on broad infrastructure and foundational technologies, and media technology vendors concentrating on specialized applications and services.

With visibility across the foundational AI components, partner solutions, and early customer adopters, Microsoft's M&E Strategy Directory Simon Crownshaw characterizes the media industry's structural adoption of AI, as follows: *"At Microsoft, we see technology as a platform for innovation—an opportunity to rethink how industries operate and create value. Our investments in foundational cognitive services aren't just about infrastructure; they're about enabling organizations to build, adapt, and scale AI in ways that fit their needs. In media, we see a dual approach: large enterprises are developing in-house expertise to gain deeper control over AI models, while a broader set of industry players is turning to specialized vendors to integrate these capabilities. This balance of depth and agility is shaping a more dynamic ecosystem—one where AI enhances creativity, efficiency, and audience engagement in new ways."*³

The Business Justification for AI Technology Investments

There is no one-size-fits-all approach to justifying AI investments for media applications. The financial modeling for these initiatives varies significantly across different industry verticals—such as studios, post-production, broadcasting, and sports—and hinges on specific use cases, including editing, VFX, quality control, localization, or distribution.

Additionally, the decision to invest in AI is influenced by organizational preferences, which encompass risk tolerance and overall business strategy.

When pressed, interviewees often cited what they see as intuitive benefits of AI implementation goals, rather than demonstrating tangible financial achievements. However, assertions are insufficient in the current budget environment, described by multiple interviewees as the most restrictive in their careers. Concrete evidence of

³ Devoncroft Interview in February 2025

increased efficiency, productivity, and business results is essential to substantiate the business case for these investments.

Individual efficiencies must be effectively harnessed to contribute to broader process improvements, which can then potentially lead to measurable organizational benefits

"Quantifying business value is a challenge with AI technologies since many projects deliver time-savings to operators," said Tami Hoffman, Director, News Distribution & Commercial Innovation at ITN at the 2024 Devoncroft Executive Summit | Amsterdam. "How do you quantify time-savings to a finance audience?"⁴

This perspective underscores that productivity gains at the employee level do not automatically translate into financial gains at the organizational level. The link between operational efficiency (time savings) and financial outcomes is not inherently direct, as it relies on the premise that time saved by employees is strategically reinvested in productive activities. Furthermore, individual efficiencies must be effectively harnessed to contribute to broader process improvements, which can then potentially lead to measurable organizational benefits.

The discussion also highlights that the justification for AI investments varies based on use case and specific company criteria, especially when increased productivity directly impacts revenue. For instance, interviewees described how AI substantially lowered costs in advertising and promo creation. This cost-efficiency allowed clients to redirect funds, which might have otherwise gone to production or remained unspent, toward purchasing commercial air-time. In this case, the use of AI technologies not only saved money and time but also opened new revenue streams for both clients and broadcasters, offering a clear and tangible financial benefit that can be easily communicated to finance teams.

Other examples of quantifiable ROI from AI investments include ESPN migrating from a manual close-captioning process, where people transcribed the events, to an automated real-time workflow using Azure AI. The cost reduction was 50%⁵.

Similarly, Sudheer Sirivara, EVP of Direct-to-Consumer Platforms at Warner Bros. Discover (WBD), highlighted similar metrics at the 2024 Devoncroft Summit | Amsterdam, saying "We've launched products for captioning workflows that use a combination of traditional methods, OpenAI based speech to text models, and generative AI approaches. Just out of the gate we're seeing about 40-50% improvement in cost compared to third-party solutions that are out there, for the same level of quality."

The case studies below provide additional examples of how AI investments have yielded positive commercial benefits across complex media workflows, encompassing content creation, transformation, and distribution

Customer AI Case Studies – How Implemented, How Justified

The 'how' and the 'why' are best described using examples. The below examples are adopted from Microsoft customers in the media industry having implemented AI in media workflows.

⁴ Devoncroft Executive Summit | Amsterdam, September 2024

⁵ Microsoft Azure Case Study, April 2023

A. Customer Case Study: AI Used for Pre-Visualization in Pre-Production

Supporting pre-production is the process of storyboarding or pre-visualizing intended production scenes to inform the planning of the associated shoot. Traditional approaches to pre-visualization require dedicated VFX operations and extensive rendering, requiring significant computer resources.

Several Microsoft content creation customers are using Generative AI (“GenAI”) models (SORA and Runaway) to create high-quality pre-visualization sequences in real-time. Not only does this approach obviate the need for dedicated rendering infrastructure, no specialized operators are involved since creative professionals use the tools directly.

How AI was Incorporated into the Media Workflow:

- GenAI models, SORA and Runway, are used by creative professionals.
- While some training of the users is needed to work with these models, the interaction is text based, rendering in real-time lending itself to an intuitive iterative process.
- These models run natively in Azure. All usage and associated cost (per-use pricing models) is trackable back to the project activity.

Business Case Justification:

- Microsoft determined cost savings in the range of 50-70% versus the prior process, depending on the level of rendering replaced at a customer.
- The primary costs reduced are the labor diverted from VFX tasks, licensing associated with specialized rendering tools, and the compute costs associated with the rendering. These costs are substantially larger than the new spend on GenAI tools and associated compute and storage. Even unit costs for compute are more appealing in the case of the GenAI alternative. Compared to dedicated rendering farms, GenAI models can utilize cloud-based, dynamic compute optimization.
- Additional cost savings are possible in the instance location scouting or similar travel is eliminated through the creation of synthetic alternatives.
- Time-savings in the pre-production accrued to the entire production since the initial process was shortened, as opposed to individual component of the process. Time reduction was further enhanced with the GenAI tools applying rights information to ensure brand and theme consistency – eliminating or severely limiting the need for administrative reviews.

B. Customer Case Study: AI to Augment Content Creation, Increase Engagement

Working from existing content assets, a global entertainment company uses AI to generate variant content dynamically. This includes alternate edits, interactive narratives, and customized character perspectives. Additional short-form content is autogenerated from individual viewership data. Examples include personalized video thumbnails and summaries.

Taken together, the resulting variant content assets were used to personalize and tailor the viewing experience. The result is an increase in engagement on the company’s consumer service.

To further boost retention of its service, the entertainment company used AI to generate supplemental content to fill gaps resulting from breaks in the episode drops. Supplemental content included behind-the-scenes, character exploration, or simulated fan experiences.

AI played a crucial role in this process by first indexing the entire content library to identify key moments, themes, and narrative arcs. The system then used advanced profiling techniques to match and extend these moments, creating content that was relevant and resonated with viewers' individual preferences and emotional investment in the show. This AI-generated content not only kept viewers immersed in the world of the show but also created a seamless viewing experience by ensuring the pacing and storytelling felt continuous, even during breaks between episodes.

How AI was Incorporated into the Media Workflow:

To incorporate at scale, AI was deployed by the company's internal development team using the latest components from the Azure OpenAI service including:

- **Scale of Content and Personalization Needs:**
 - The sheer volume of content, including diverse narratives, character perspectives, and episodic material, made it impossible to manually create tailored variants for each user.
- **Dynamic Content Creation:**
 - Generating alternate edits, interactive narratives, and character-specific perspectives in real-time requires analyzing and adapting existing content quickly. AI's ability to understand the context and modify content on-the-fly ensured a dynamic and engaging experience.
- **Content Reformatting for Device/Platform Optimization:**
 - The AI system automatically converted videos to vertical formats (9:16) suitable for mobile-first platforms like TikTok, Instagram Reels, and YouTube Shorts. This was achieved by leveraging a content-aware resizing algorithm.
- **Content Indexing & Structuring:**
 - AI utilized computer vision models to analyze the video, breaking it down into individual scenes and key moments, tagging frames with identifiers like actions, players, events, and themes.
 - Natural Language Processing (NLP) models were used to analyze dialogue and commentary, identifying relevant contextual information (e.g., mentions, key events) to enhance content tagging.

Business Case Justification:

- The customer recorded engagement activity, measurable by viewer time on platform and video view duration, increasing over 200%.
- The financial implication of greater engagement is observable in lower churn rates, leading to an increase in lifetime subscriber value (future revenue) and a lowering of market spend per user (current operating margin).
- The financial benefit from measurement was well in excess of outlays on incremental AI technology spend and initial outlays for development of the associated workflows.

C. Customer Case Study: Using AI to Automate Video Creation, Increase Video Views

Microsoft is working with a sports league to deploy an AI solution to generate custom highlight videos for users based on individual preferences for teams, players, or even categories of in-game performance.

Personalized videos were made possibly through AI edits of feeds by isolating relevant content, removing

irrelevant content, and adding additive elements to the video such as localized commentary, dynamic statistical overlays, and other immersive elements.

Custom clips and highlights are especially valuable to cater to audiences less inclined to watch complete games.

Additional value is added by optimization the video for the consumption device and medium. Vertical video is most effect for engagement on mobile-first medium such as TikTok, Instagram Reels, and YouTube Shorts. An AI-driven workflow dynamically reformats content from traditional broadcasts into mobile-friendly, appropriate-sized clips.

These AI-driven capabilities have been adapted into a feature within the customer application enabling users to follow specific players, receive custom highlights, and even request custom highlights from archival content.

How AI was Incorporated into the Media Workflow:

To incorporate at scale, AI was deployed by the company's internal development team using the latest components from the Azure OpenAI service including:

- **AI Analysis & Content Identification:**
 - The AI system analyzes the video in real-time, breaking down the game feed into individual scenes and segments, identifying key moments (e.g., scores, fouls, game-changing plays).
 - Machine learning models detect specific players, actions, or events based on pre-trained models, such as recognizing key plays for specific teams, players, or performance categories (e.g., scores, assists, or defensive plays).
- **Personalization Engine:**
 - The system checks user preferences—whether they are following a particular team, player, or category of performance—and filters the identified key moments based on those preferences.
 - Irrelevant content (e.g., downtime, non-relevant scenes) is automatically discarded to ensure the final highlight videos focus solely on moments of interest.
- **Dynamic Video Editing:**
 - AI automatically cuts and edits the relevant scenes together into concise, personalized highlight reels.
 - The AI continually learns from user feedback and content consumption patterns, improving its ability to generate even more relevant and engaging highlights over time.

Business Case Justification:

- Automated content resulted in a four-fold increase in recorded video views
- Direct monetization of the increased content occurs through the subscriptions to the customer's application and through various social channels
- The AI system was responsible for achieving a critical milestone in a multi-year strategic goal of marketing the sport, league, teams, and players to new global viewers

Key takeaways

Surveys, interviews, public statements, and historical precedents all describe a technology environment in the media industry posed to adopt AI technologies at scale. The technology circumstances support it; the business environment needs it.

The decisions made in the next 12 – 18 months will then set the course of workflows in the media industry for the next 10 – 15 years and by extension much of the orientation of the media industry.

While enthusiasm is unbounded on the possibilities of AI, initial use cases are focused on automation, data analysis, planning, and various adjacencies. Progress to more impactful use cases is happening, though a meaningful acceleration will require far greater levels of investment. As confirmed in interviews, technology teams are struggling to articulate the business value of technology budgets. Proof points from the initial use cases will further substantiate the business case.

The decisions made in the next 12 – 18 months will then set the course of workflows in the media industry for the next 10 – 15 years and by extension much of the orientation of the media industry.

Across the interview conducted, there is general agreement that AI adoption – at scale – will be sourced from specialized third parties, built on larger infrastructure providers. Yet, all manner of the specifics of 'how' is still to be determined and varies by organization.

The inability to offer a definitive forecast for the 'how' of adoption stems from the primary takeaway from this research initiative: media technology executive perspectives about AI are evolving just as fast as AI technologies.

It is understandable and pragmatic that executives should update their opinions given developments. However, the current environment is unforgiving. Further, should promised gains from adopting AI at scale prove any fraction of reality, then two equal and opposite outcomes will be observed. A beneficial future for those accelerating adoption today, an untenable one for those not.

Research Background

This paper is a summary of the research collected by Devoncroft Partners on the media industry's adoption of artificial technology ("AI") across Devoncroft's annual demand-side and supply-side studies of the media technology sector and interviews with over 60 senior media technology executives conducted in late 2024 and early 2025.

Devoncroft Partners Big Broadcast Survey

The Big Broadcast Survey (BBS) is the largest and most comprehensive market study of the media industry.

Devoncroft has conducted the BBS (in 10 languages) each year since 2019, with regular participation from 5,000 – 10,000 media technology executives, including senior decision makers at the largest global media organizations.

BBS Reports deliver actionable insight into the opinions and attitudes of key technology buyers across the media value chain. Topics covered include industry trends, purchase intent and buying behavior, major project plans, media technology budgets, current and anticipated adoption of emerging technologies, products being evaluated for purchase, and detailed opinions of vendor brands.

Devoncroft Partners Market Sizing Study

The Devoncroft Market Sizing Report is widely recognized as the most authoritative market sizing and forecasting report in the global media technology industry.

It is the only report where media technologies industry suppliers and service providers come together in a collaborative partnership, under a mutually agreed framework of strict confidentiality, to share their revenue data, future forecasts, and detailed information on what drives their businesses.

Supporting the report is an exhaustive data model of the global media technology community that encompasses nearly 4,000 suppliers and service providers across the media value chain.

Interviews with Media Technology Industry Executives

As part of its research coverage of the global media technology sector, Devoncroft regularly interviews senior decision makers across the global media technology sector. This research initiative draws from over 60 interviews conducted in late 2024 and early 2025.

Many of the citations in the report are anonymous reflecting the impediments of employees of media companies making public statements about potential AI investments. Fortunately, there are many public comments on AI to cite, which align with the anonymous interview excerpts included as an appendix.

Appendix: Select Interview Excerpts by Topic

Table I. Select Interview Excerpts about AI Technology Evolution

Position	Organization	Region	Quote
Director	Media Conglomerate	Europe	"I have my team run AI tests across a variety of use cases (production, processing, distribution, ...) every six months. AI isn't ready to replace our existing processes. However, every six months the test ar15e showing double digit improvement. I have never seen this in any other technology...and the trajectory has not flattened out. It's really impressive."
CTO	Broadcaster	Americas	"If you asked me even a couple weeks ago about how we might use GenAI in production, I would have said the usual b*lls**t. I think it is getting real, and we will use it for real things in 2025."
CTO	Broadcaster	EMEA	"We have seen lots of demos and had lots of vendors pitch us on the need to embrace the technology. I'm sure AI is the future eventually, but the current solutions are unimpressive."
CEO	Service Provider	Americas	"We are seeing AI projects fail at similar rates to enterprise software projects twenty years ago. The culprit is poor engineering in the implementation. The underlying models are improving at incredible speeds and the implementation part will get fixed."

Source: Devoncroft Interviews

Table II. Select Interview Excerpts about AI POCs

Position	Organization	Region	Quote
AI Practice Lead	System Integrator	Americas	"Enterprise Clients are already on the AI journey, adopting for general office productivity. We have seen a lot of POCs to try to use AI for a variety of media use cases. A few use cases are seeing adoption such as tagging or search, but most of the POCs don't make sense and fail. We have seen 2 – 3 months of wheel spinning where groups end back up at the start in terms of adoption. It has led to some organizational structure changes in these groups such as centralizing certain activities and de-centralizing others."
Head of Technology	Studio	Americas	"We wanted to do a POC with GenAI to show executives what is possible. We were hoping to radically simplify and automate editing. It's not there yet. It works for non-creative editing (perhaps 50% productivity improvement), but for all other editing tasks it is a long way from getting to even 80% accurate."

Position	Organization	Region	Quote
Chief Technology Officer	Service Provider	EMEA	"We have met with 30+ AI dubbing, translation technology providers. It is exhausting, not just for us but for our clients. None of the offerings are perfect. They all have some drawbacks and shortcomings. We are going to continue to need a layer of managed services for the foreseeable future."

Source: Devoncroft Interviews

Table III. Select Interview Excerpts about AI Procurement, User Adoption

Position	Organization	Region	Quote
Chief Technology Officer	Cable Programmer / Streaming	Americas	"We established an AI committee to keep a log of AI use cases and determine the feasibility of various business cases. The committee includes representatives from all departments including finance and marketing."
VP Engineering	Cable Programmer / Streaming	Americas	"We have done several co-pilot POCs. We kept having the same experience. The POCs begin with substantially all users participating. We then track and watch the usage rate get into the sub-20% of users within 12 months. All the pricing models are based per user, the economics don't work unless we have a majority users actually using."
VP (AI Lead)	Media Conglomerate	Americas	"My team spends most of its time trying to persuade our user base to start adopting the technology. We are reluctant to mandate the usage and prefer to exhaust every approach to persuade."
Director (AI Lead)	Media Conglomerate	Americas	"We are forcing the user base to adopt the AI tools our technology team is rolling out. We feel we need to move fast and we can't spend time persuading."

Source: Devoncroft Interviews

Table IV. Select Interview Excerpts about AI Business Goals

Position	Organization	Region	Quote
Chief Digital Officer	Production Company	EMEA	"After three years of planning, we are kicking off a project to move our content library to a public cloud environment, index, and tag it with metadata. This will allow us to better monetize our content archive by automatically identifying and surfacing relevant program

Position	Organization	Region	Quote
			highlight clips to the 100s of millions of YouTube subscribers across all our properties. Then, because highlights are most valuable the day after a program airs, we will also do the same with new shows on their day and date of airing in a country/territory. We project that our cost of producing a clip will collapse by over 95%, and we expect revenue from revenue from YouTube to more than triple."
SVP Engineering	News	Americas	"We have never been able to make the financial numbers work in an archive exploitation business case. The price points we are seeing with GenAI solution to index, search, and return content are extremely promising. It is something we are going to investigate over the next year."
VP Engineering	Broadcaster	EMEA	"We have been working to transition our media supply chain to the public cloud. There are several phases, starting with initial ingest. The final phase on the roadmap is to investigate. We aren't there yet, still have a lot of phases to go."

Source: Devoncroft Interviews

Table V. Select Interview Excerpts about Initial AI Use Cases

Position	Organization	Region	Quote
CTO	OTT Streaming Company	Americas	"We were a launch customer for a customer service focused AI technology company. We expected it to drive tremendous savings versus historical, labor-intensive customer service groups. It did. What is beyond belief is the fact that customer satisfaction goes up. The customers are happy about it. They get a better response. So, it's not just about defraying costs. It's about the fact that we can actually defray costs at the same time, we're providing a better product or service to our customer. It's definitely an industry shift."
Chief Technology Officer	Broadcaster	EMEA	"Using GenAI we've already developed an advert for a travel agency that has 30+ offices in a specific region, who historically couldn't afford TV advertising because the creation of the advert was too expensive. Using GenAI we created advert at 3% of the price of the prior cost and secured the other 97% of the budget as an advertising commitment."

Position	Organization	Region	Quote
SVP Operations	Broadcaster	Americas	"Our news group is using GenAI to organize our story coverages – understand where teams are deployed, associated clips, and how a hierarchical view of the narratives. The new process uses natural language prompts. The old process required lots of manual work and pulling data from multiple systems."

Source: DevonCROFT Interviews

Table VI. Select Interview Excerpts about Initial AI Business, Pricing Models

Position	Organization	Region	Quote
CTO	Broadcaster	EMEA	"We have lots and lots of vendors trying to sell us software. As we have transitioned from hardware to software, it seems to use the pricing is now increasing 30 – 50% annually. Now, in meetings with vendors, if I mention the word 'AI,' they increase the price another 10%."
Head of Technology	Studio	Americas	"We see these great demos for real-time localization by automating the translation and the lip sync. Lot of offerings in the market. We meet these groups and often the business model is a non-starter. No self-service options, hugely expensive, and a performance that isn't much better than what we already do."
Director	News	Americas	"Our parent company built its own foundational model. It isn't an expensive investment. It is a really, really expensive investment. Don't do it."
Director	Media Conglomerate	EMEA	"I think that many media companies, including mine are quite reluctant right now to talk about the business models around AI. But one day that definitely is relevant. I had some fun discussions with some of the emerging AI-focused companies. They have big ambitions, and they are very proud of what they have built. You have to meet, and show them the pie, and explain that the pie is not growing, and that if they want a slice of the pie, they need to bring very tangible value because they have to eat someone else's slice.
Director	Cable Programmer / Streaming	Americas	"We only have a handful of developers. We are not in a position to build any software systems. We don't even have time to do code integration. We are going to rely on third parties to bring AI into our workflows."

Position	Organization	Region	Quote
Director	Service Provider	Americas	"We haven't seen a lot of progress with the specialized media technology suppliers. Technology end-users are moving much faster in terms of AI adoption and evaluation of further AI adoption."

Source: Devoncroft Interviews

Table VII. Select Interview Excerpts about Business Justification for AI

Position	Organization	Region	Quote
Head of Technology	Studio	Americas	"This is the most restrictive budget environment I have experienced in my career."
Director	News	Americas	"There are two principal points for generating a positive return on investment: (1) doing something you can't do today, and (2) trying to leverage AI in a media workflow through productivity gains."
Director	Media Conglomerate	Americas	"In my group, we are still working on the business case to justify moving the group's content archive into the cloud. We haven't seen real figures supporting the business case yet."
CTO	Service Provider	Americas	"I am expecting us to have a similar experience as with the Cloud POCs for live event production. We haven't really demonstrated any financial justification to support the business case, but we move forward anyway because the right executives want to do it."
AI Practice Lead	System Integrator	Americas	"Media groups are focused on identifying the best use cases and getting viable technology deployments adopted by users. Once that goal is accomplished, we would expect them to return to optimize solutions for cost and really dig into the business case for adoption at scale."

Source: Devoncroft Interviews