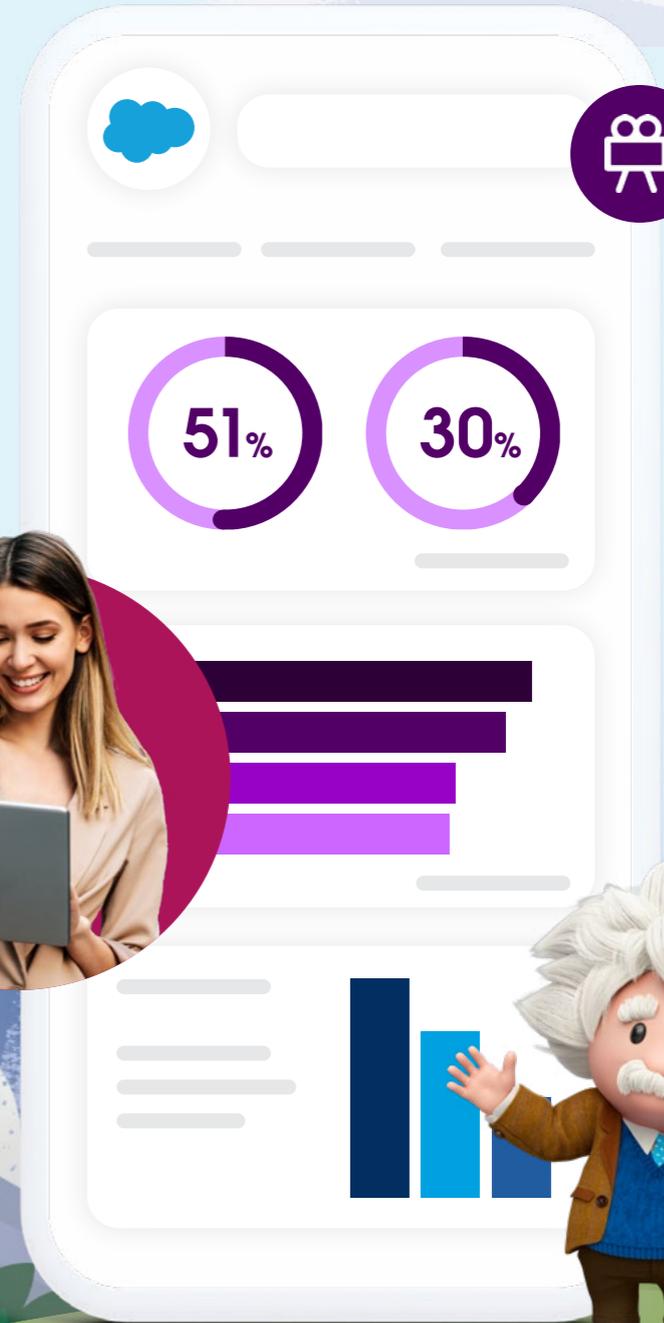




Media & Entertainment Industry Data and AI Trends Report



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Executive Summary

The media and entertainment industry is taking on a number of new challenges in today’s rapidly evolving landscape shaped by the swirling forces of increasing customer expectations. Coupled with the emergence of artificial intelligence (AI) technologies that could transform how these challenges are overcome, it is a pivotal time for the industry.

To better understand the factors at play and how organizations are responding, Salesforce commissioned Omdia to survey 391 industry professionals for this report.



01 Companies Embrace Data and AI Strategies Amidst Evolving Customer Expectations

Customer expectations are intricately tied to the data they allow companies to access. It creates a delicate balance between the expectation of personalized engagement and trusting companies with their data. Changing customer expectations is ranked as the third overall business challenge – behind only increasing costs and technical complexity.

02 Business Investments Highlight Opportunities for the Improved Customer Experience

Organizations are prioritizing investments in harmonizing data, while implementing AI and automation to enhance customer experiences. Ninety percent of media and entertainment companies report they expect their organization’s investment in AI to increase over the next 24 months.

03 Data, AI, and Automation Optimize Internal Processes

Optimizing internal processes, specifically in advertising sales and operations, leads to increased profitability. Media and entertainment companies say business process automation (e.g. reducing manual tasks for more efficient operations in sales, service, and subscriber management) is the top use case for AI.

Data in this report is from a double-anonymous survey conducted from Feb. 26, 2024 through March 20, 2024. The survey generated responses from a range of media and entertainment professionals with a title of director or higher across Australia, Canada, France, Germany, India, the United Kingdom, and the United States. All respondents are third-party panelists. See page 4 for further survey demographics. Due to rounding, not all percentage totals in this report equal 100%. Comparison calculations are made from total numbers (not rounded numbers).

Survey Demographics

Country

Australia	15.1%
Canada	14.8%
France	13.8%
Germany.....	13.3%
India.....	15.6%
United Kingdom	13%
United States	14.3%

Primary Business

Broadcasters	15.3%
eSports or Sports	14.6%
Gaming studios/ Gaming publishers	15.1%
Pay TV operators	14.3%
Retail Media	13%
Streaming services/studios	12.3%
Don't know/ don't want to say.....	0.5%
Other media and entertainment company.....	1.3%

Primary Role

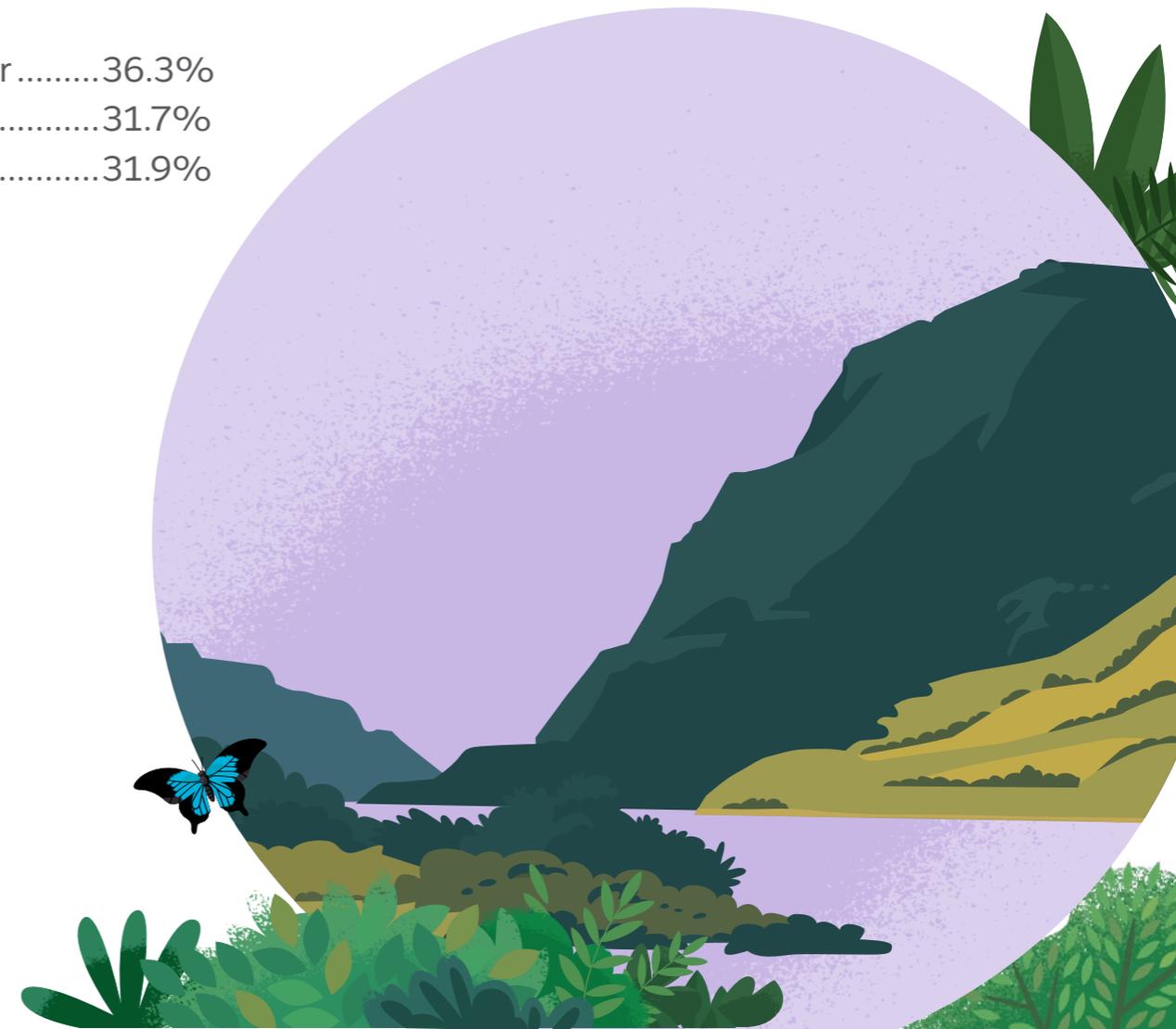
Advertising Sales and Operations.....	20.7%
Customer Service	6.4%
IT	3.1%
Marketing	42.5%
Operations	7.9%
Sales.....	10.7%
Subscriber Management	8.7%

Seniority

C-suite, president, or owner	36.3%
EVP, SVP, or VP	31.7%
Director.....	31.9%

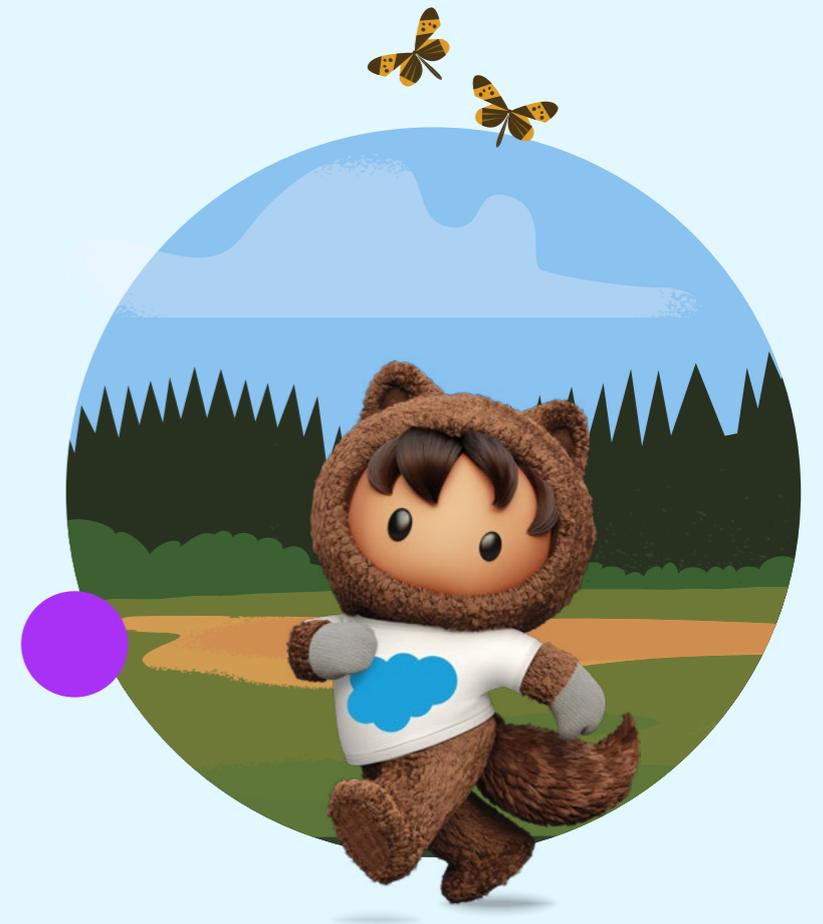
Annual Revenue (\$USD)

< \$250M.....	13.6%
\$250-\$499M.....	26.3%
\$500-\$999M.....	35.3%
\$1-4.9B	17.6%
\$5-20B	6.1%
> \$20B	1%



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Companies Embrace Data and AI Amidst Evolving Customer Expectations



01

Companies strategically approach how data is used to build trust and increase engagement

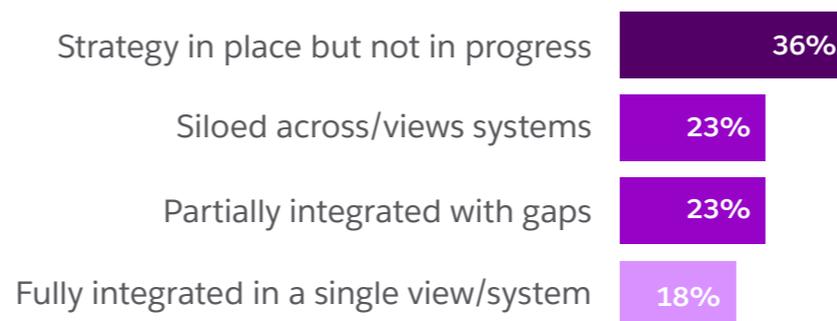
Customers in general expect more from the organizations they do business with. They know the data they provide can lead to better experiences; 81% of customers expect faster service and 73% expect better personalization, [the sixth edition of the State of the Connected Customer found](#). That expectation is clearly top of mind for media and entertainment industry leaders, with over a quarter citing it as one of their top business challenges.

This increase in customer expectations and demand for trust and security puts investments in data strategies in direct focus. Data quality is of equal concern for industry leaders, with over a quarter seeing it as a top business challenge. Organizations with data siloed across systems (23%), partially integrated with gaps (23%) or a strategy in place but not in progress (36%) still remain. The work to create a data foundation at the outset is necessary for future AI initiatives.

Top 5 Business Challenges Recognized by Media and Entertainment Companies

- 1 Technical complexity
- 2 Increased costs
- 3 Customer expectations
- 4 Data quality
- 5 Increased Competition

Respondents Cite Current State of Connected Business and Customer Data



01

There's still work to be done. Many companies, despite having formulated data strategies, have yet to fully implement them citing a variety of factors such as technological barriers or budget constraints as hindrances to progress.

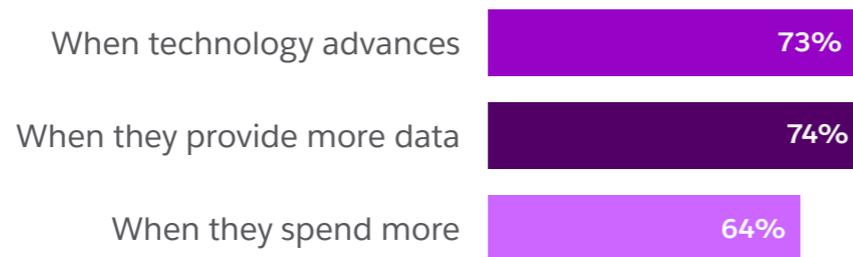
Top Barriers to AI Adoption and Deployment

- 1 Lack of internal skills to utilize AI effectively
- 2 Concerns about intellectual property rights and legal issues related to AI-generated content
- 3 Cost and unclear return on investment
- 4 Too disruptive to existing workflows
- 5 Concerns about security

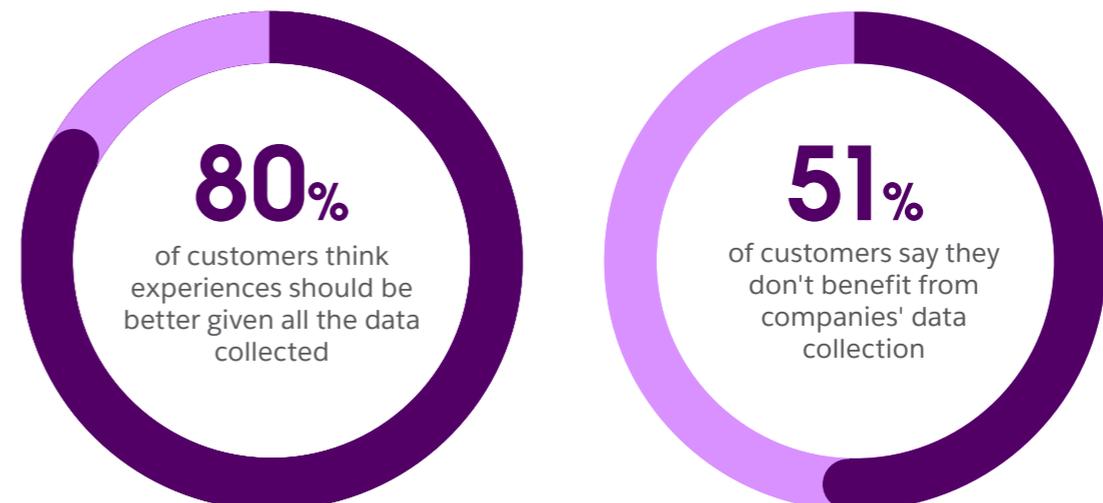
Top Challenges After AI Adoption and Deployment

- 1 Scalability
- 2 Cost
- 3 Complexity and integration issues (e.g. with some platforms/tools/systems)
- 4 Compliance with existing or forthcoming AI regulations and limited capabilities
- 5 The reliability and consistency of AI systems

Customers Expect Better Personalization Under the Following Circumstances



Customers Seek Transparency as Trust Erodes



2

Business Investments Highlight Opportunities for the Improved Customer Experience



02

Data synergy, AI, and automation align with profitability goals

Despite the challenges – increasing costs, technical complexity, quality of data, and customer expectations – industry leaders see a path to realizing increased revenue through data, AI, and automation. The industry has made the connection between integrating data across various departments, internal systems, and external sources with enhanced experiences by providing a complete view of the customer that powers various AI applications. This focus on data harmonization may be in support of broader organizational priorities aimed at improving the customer experience and operational efficiency.

It’s not only a trend playing out in the media and entertainment industry; sales, service, and marketing leaders see AI as a tool to drive better customer engagement and to increase revenue across their lines of business. The [Salesforce Generative AI Snapshot Research Series](#) (May-June 2023) reported top use cases: automating communications and customer interactions, writing content, and analyzing data for service; generating content and analyzing performance for marketing; writing communications, forecasting, and reporting for sales; and writing product descriptions, optimizing merchandise, and channel strategy.

Prioritized Investments by Media and Entertainment Companies



of organizations are actively making investments to a great extent to achieve data priorities



of media and entertainment companies plan increased AI investments over the next 24 months

Top 3 Organizational Priorities Within the Industry in 2024

- 1 Increase sales and revenue growth
- 2 Integrate AI systems to improve operational efficiency and reduce costs
- 3 Experience innovations and making deeper connections with audiences

Top 3 Organizational Priorities Within the Industry in 2023

- 1 Improving customer satisfaction
- 2 Improving operational efficiency
- 3 Product/content innovations (e.g. omnichannel content delivery, upscaling content resolution)





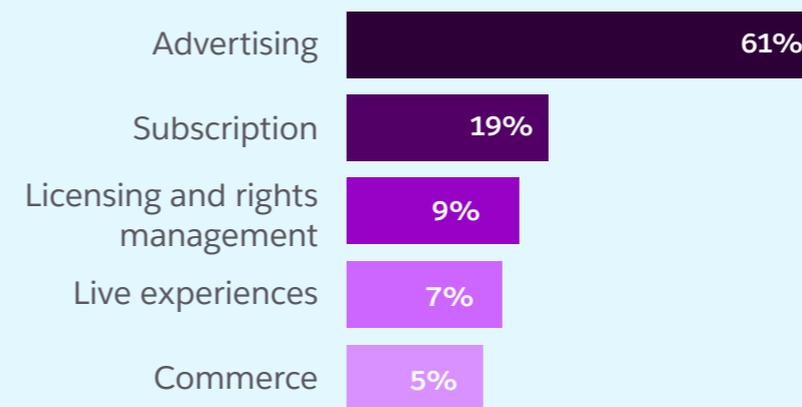
Spotlight: Advertising Sales & Operations

In our [2023 Media & Entertainment Insights Report](#), advertising was reported as the top revenue source for media and entertainment organizations. Today, when asked which of their revenue streams would be the most impacted by AI, 61% of respondents say advertising. As companies assess performance and challenges associated with their ad sales operations, they see AI improving processes and sales by automating manual tasks and improved planning.

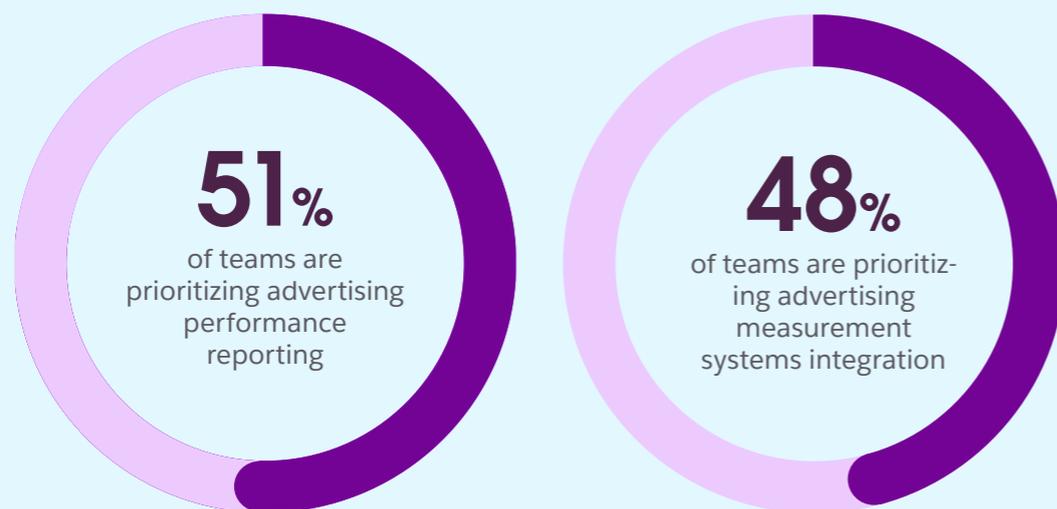
Top Challenges to Advertising and Sales Operations



Respondents Who Cite the Following as the Revenue Stream to be Most Impacted by AI



Advertising Sales Performance Priorities



Top Use Cases for Data and AI Strategies

- 1 Enhance advertising processes and sales (e.g. automate manual tasks or improve media planning)
- 2 Business process automation (e.g. reducing manual tasks for more efficient operations, freeing up sellers' time)
- 3 Customer service (e.g. automated chatbot responses)



3

Data, AI, and Automation Optimize Internal Systems



03 New technology improves efficiency and reduces costs across departments

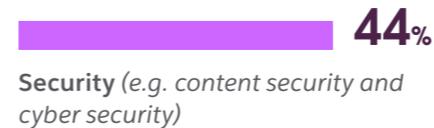
Use cases for AI vary across different job functions, reflecting the unique needs and priorities of each role. For instance, security is the top use case for both customer service (44%) and subscriber management (41%), while business process automation (37%) is the top use case for marketing and scaling personalization (40%) is the top use case in sales.

Leaders believe that AI can create cross-organizational enhancements in all job functions. As mentioned above, in customer service, the emphasis is on customer interaction through automated responses and business process automation. For those in subscriber management, the focus shifts toward safeguarding content, optimizing content distribution to tailor recommendations for audiences, and enhancing advertising processes and sales through automation. And marketing professionals prioritize automating business processes and scaling personalization efforts to deeply understand and engage their audiences, aiming to increase average revenue per user (ARPU) through targeted insights and strategies.

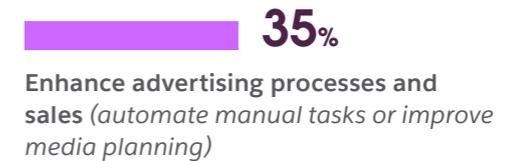
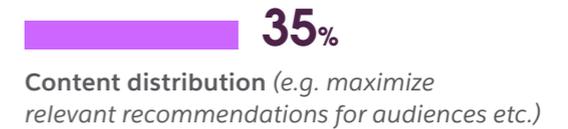
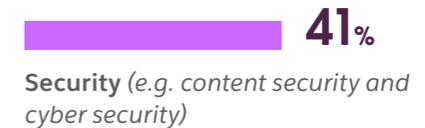
Regardless of how they choose to integrate AI solutions and automation systems into their business over a quarter of industry leaders surveyed, as cited above, agree that doing so is one of their top three current priorities to improve operational efficiency and reduce costs.

Top 3 Use Cases of Data and AI Strategies Across Each Surveyed Job Function

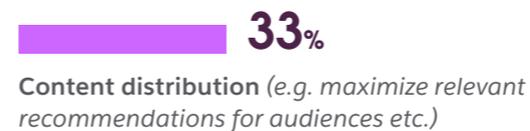
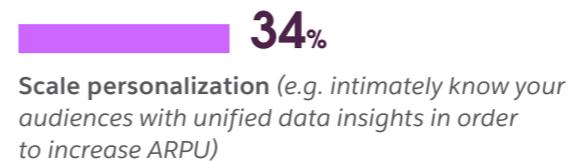
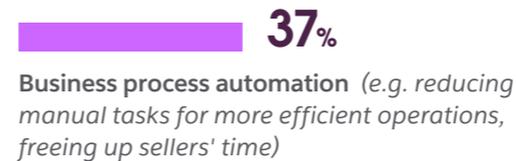
Customer Service



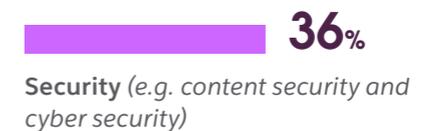
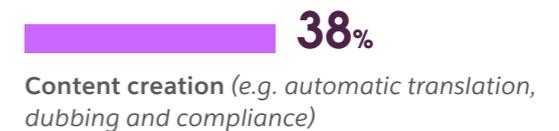
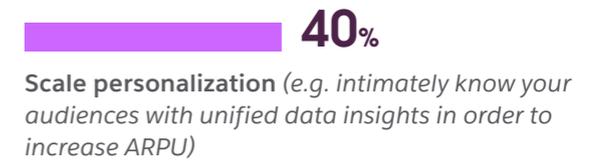
Subscriber Management



Marketing



Sales





Salesforce Recommendations: The Future of AI is More Than Just Technology Integration

Media and entertainment industry leaders see governance, ethics as critical to a successful AI future

Companies are assessing customer expectations and revenue streams to determine the best way to integrate more data harmonizations, AI, and automation across their business. Concerns remain around the technology that go beyond integration and application, and the respective changes needed to give greater business impact. Business leaders were asked to answer open-ended questions related to what needs to change to enhance business effectiveness.

Grow audiences and advertisers with trusted AI.

Discover industry-specific solutions for media and entertainment organizations.

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Survey respondents provided the following insights into what is missing in today’s AI solutions:

- Focus on creating robust and enhanced data strategy – data hosting, residency, structure, and real-time vs. batch processing – and upskilling workers to drive the most value from their AI investments. In their words:

“Making AI solutions more accessible to non-experts by creating user-friendly interfaces and tools is critical to their wider adoption across sectors.”

- Improving trust in AI with clear, ethical policies, robust AI governance, and innovation encouraged should be a top priority. In their words:

“AI systems should respect people's privacy and safeguard sensitive information from unauthorized access or exploitation.”

- Consider the personal element, or lack thereof, in the technology and importance of keeping humans in the loop for oversight. In their words:

“The value of what it means to be human in regards to emotional intelligence.”



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