MEDIA & ENTERTAINMENT

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MARCH 2026

# LIGHTS, CAMERA, AI

## What consumers reveal about how AI is reshaping Media & Entertainment

ALVAREZ & MARSAL

# TABLE OF CONTENTS

# Alvarez and Marsal's (A&M's) Media and Entertainment (M&E) survey examines shifting attention, evolving content demand, and emerging high-value AI opportunities

## Future-focused Consumer Study

- **Baseline and forward-looking** behavioral questions
- **M&E-specific future scenarios**, including what-ifs and consumer tradeoffs
- Systematic **variation of key variables** to identify thresholds and boundaries for consumer adoption
- **Artificial intelligence** (AI) tested prominently, along side other industry and technological trends

**A&M's M&E Consumer Study**: Because consumers sit at the center of every major media shift, we sought their perspective at today's AI-driven inflection point. Research with nearly 2,000 consumers reveals far-reaching implications for players across the M&E ecosystem.

**1,968**
U.S. Consumers

**18-65**
Age of Respondents

Fielded
Oct 2025—Jan 2026

Gender
49% women, 50% men,
1% nonbinary

Demographics targeted to census
Proportionally represented for statistical accuracy and weighted averages analysis

All income and educational levels
High school and above

Generational mix
Gen Z (n=364), Millennials (n=708), Gen X (n=678), Baby Boomers (n=218)

Mix of adoption profiles
Mainstream, high- and low-tech adopters

# Consumers now accept AI created and curated media—including premium formats

**Adapt or Lose Share:** AI is reshaping how audiences discover, trust, and engage with media—rewarding companies that act deliberately.

| | AI Gains in the Attention Battle | AI Becomes Core to Entertainment | AI Becomes a Gatekeeper | Trust Split by Content & Context | The Audience Enters the Story |
|---|---|---|---|---|---|
| **TREND** | Consumers are shifting attention toward AI platforms, accelerating pressure on traditional TV and video | Consumers are increasingly comfortable with AI-created content, including premium formats | Consumers rely on AI to filter, curate, and personalize content amid growing choice overload | Trust in AI varies by demographic and content context, shaping consumption decisions | Consumers are eager to actively participate in AI-enabled storytelling |
| **KEY IMPLICATION** | **Risk of audience and revenue erosion** | **Speed and cost intensity from AI-first studios** | **Undermining of key M&E roles by AI curation** | **Brand trust tied to AI values, audience, and context** | **Revenue opportunities from participatory storytelling offers** |



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# AI platforms are capturing a growing share of consumer attention

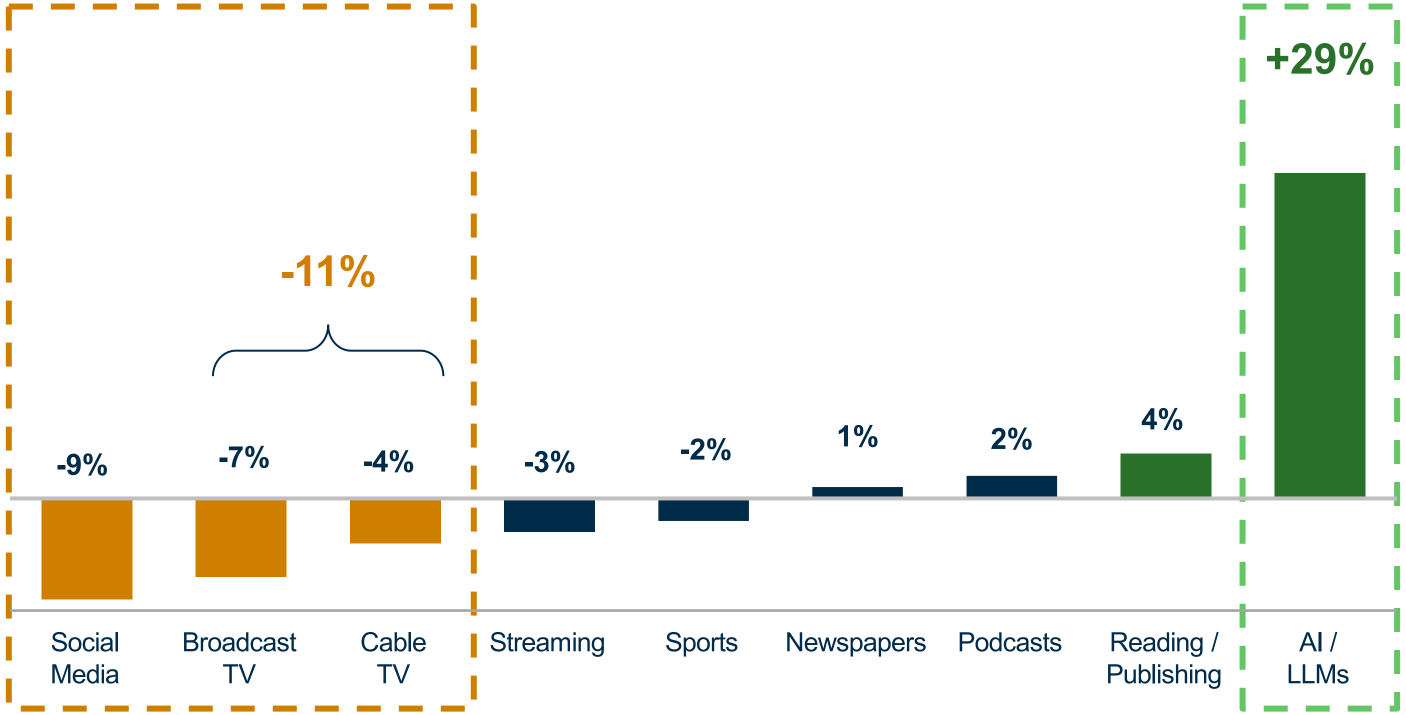
Consumers report **growing engagement with AI platforms and content,** while **traditional video is softening**

| | | |
|---|---|---|
| **AI platform and content adoption** | **29%** | increase in expected time spent with AI platforms and content |
| **Legacy broadcast and cable declining** | **-11%** | decrease in expected time spent with broadcast and cable networks |
| **Streaming services softening** | **-3%** | decrease in expected time spent with streaming services |

# Consumer attention is increasingly moving to AI platforms and content, while reducing time with traditional media formats

## % Growth by Platform – The Future vs. Today

A&M asked consumers to project how they allocate their time today with media and how they anticipate it would change in the future




Consumers expect to spend **29% more time with AI-driven platforms and content**, signaling that attention is becoming increasingly fluid as new AI entrants reshape engagement

They expect **modest declines** in time spent with **social platforms (-9%)**, **broadcast TV (-7%)**, **cable networks/news (-4%)**, and **streaming (-3%),** indicating new risk to legacy business models as attention drifts

**Text-based and audio formats** (publishing/reading, podcasts) **remain comparatively resilient**



Notes: N=1500
Reference Question: In these last few months, think about how much time you've spent on each platform or content type. Then, based on your evolving interests, how do you think you would be spending time across these platforms in the future?

# Consumers anticipate AI becoming integral to their future entertainment

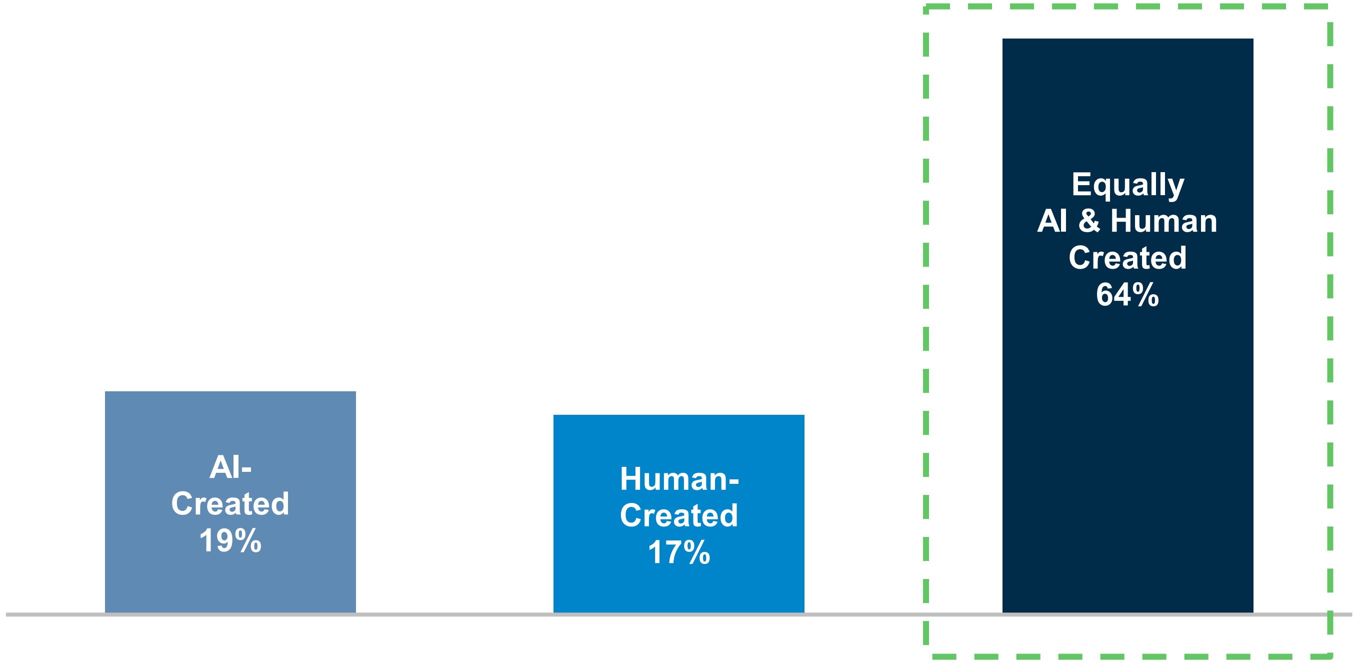
Consumer sentiment indicates **broad acceptance to AI-enabled entertainment**, from fully AI-generated films to television advertising

| | |
|---|---|
| **Human + AI content collaboration** | **64%** believe that humans, with AI collaboration, will create premium content |
| **Neutral or excited for 100% AI-generated film** | **51%** state that they were neutral or excited to see a film when told script, acting, and music was all AI-generated |
| **Short-form content adoption** | **60%** accept AI-generated television commercial |

# Consumers broadly expect AI to be used as a creative tool shaping future premium entertainment

## Future AI-Generated vs. Human-Generated Premium Content

A&M asked consumers to project the popularity of future box office, based on creativity contribution between AI and human creators




**64% believe humans, working with AI tools, will create future box-office hits**

**Consumers indicate they do not believe the future is binary—** either humans or AI—but rather working together for content creation

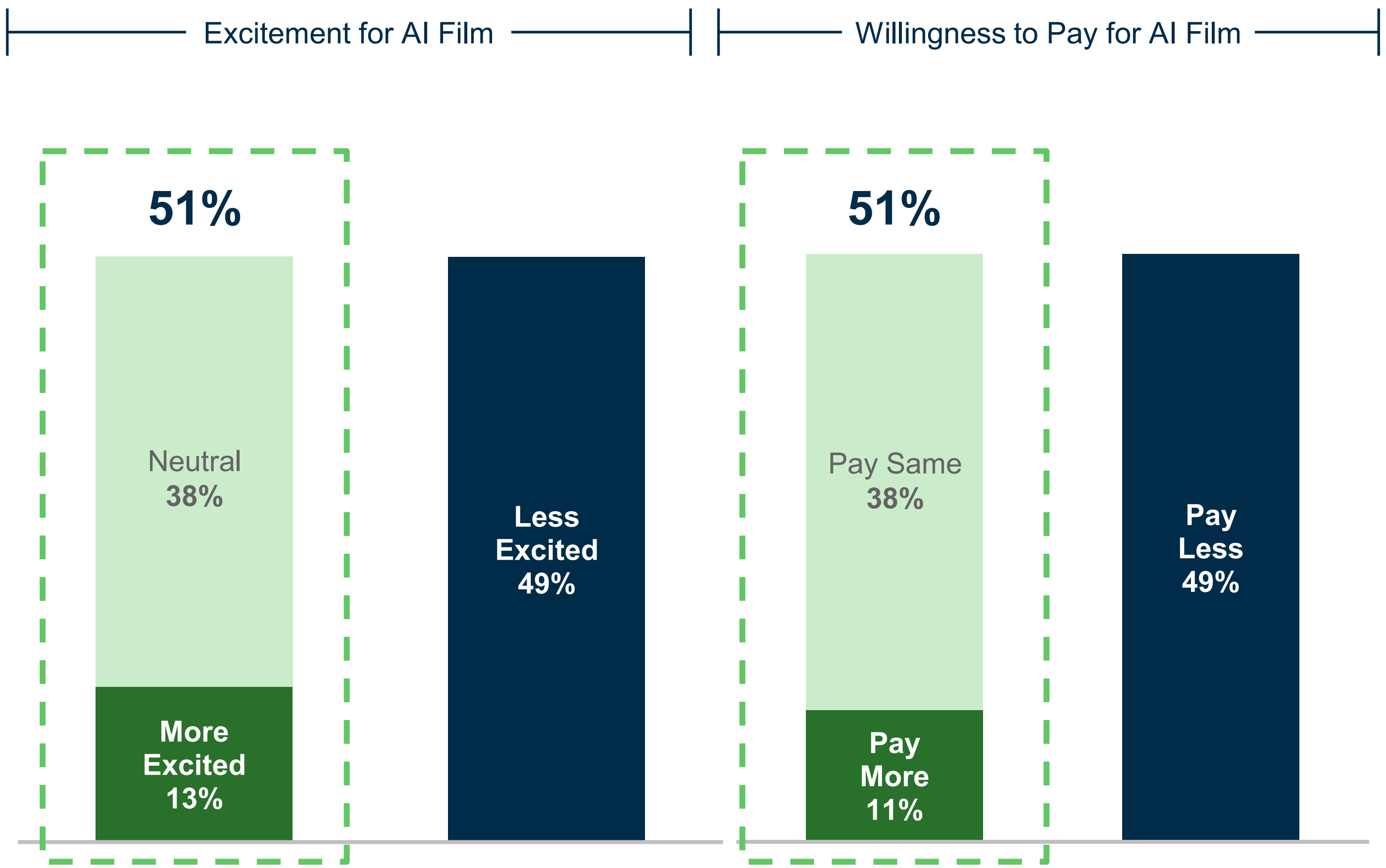
Only **17%** believe the box office will be dominated by **100% human-created films—fewer than those expecting fully AI-created movies**



Notes: N=1500
Reference Question: Which of the following scenarios about the future of movies do you think is most likely by 2035? AI-generated blockbusters dominate global box office, outselling human-created films by 5 times; or Human-created blockbusters dominate global box office, outselling AI-generated films by 5 times; or AI and human creativity work together, with both contributing equally to popular films in the future

# Even premium content is showing strong acceptance with over 50% of consumers excited or neutral about AI-generated films—and willing to pay for it

## 100% AI-created Film vs. Human-created




**Over half of consumers are neutral or excited** about fully AI-generated feature-length films—**and 51% would pay the same or more**—for movies written, "directed," and starring AI-generated actors

If consumers are willing to pay the same or more for AI-made films, **creators of AI-generated films and other premium IP gain a massive cost advantage**

The survey also **surfaced a consumer segment** that is **less interested** once they learn key creative elements are fully AI-generated, **illustrating new AI fault lines** amongst consumer groups

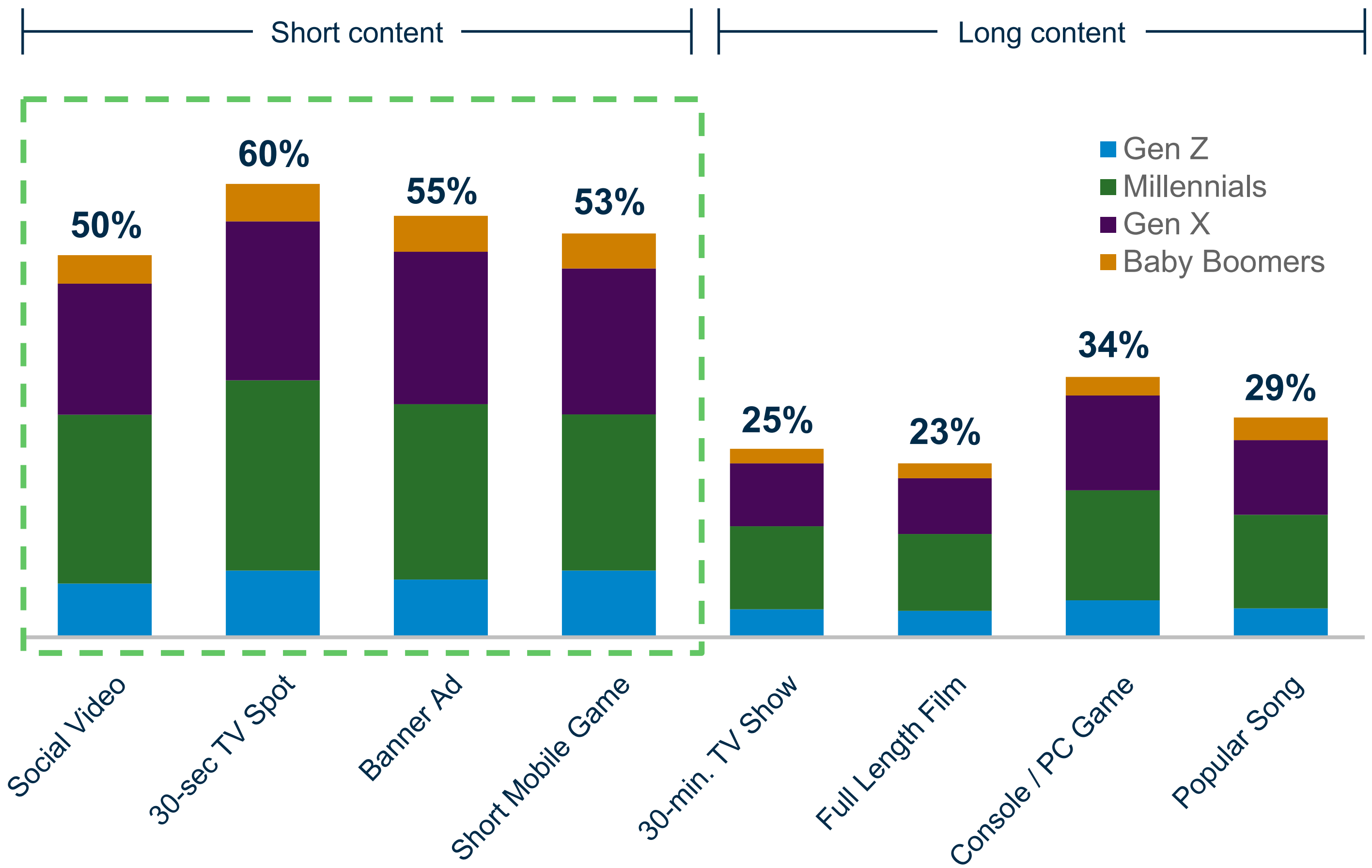
Of those expressing enthusiasm and willingness to pay, **Millennials** report the strongest support, but all demographics express some level of interest



Notes: N=1500
Reference Question: If you were thinking about watching a movie in the future and found out it was completely created by AI – including the actors, script and music. How would you feel about watching such movie?
Reference Question: If you were planning to watch a movie and found out it was completely created by AI, would it affect how much you'd be willing to pay for a ticket?

# Consumer openness to fully AI-generated content is higher for short-form than long-form

**Relative Interest in 100% AI Content**




When evaluating fully AI-generated content, consumers show roughly **twice the interest in short-form formats** versus long-form content

**Positive interest** reaches **50–60%** for **short-form AI content**, such as social videos or TV commercials

By contrast, **acceptance drops** for **longer-form formats**, with only **25%** open to an AI-generated TV series and **29%** to a popular song that is AI-created

This demonstrates greater **risk to short-form content teams and studios** (e.g., advertising)

Millennials report the highest interest across the board, while **Baby Boomers and Gen Z** show an **unusual alignment** around AI hesitance; these themes repeat throughout the survey



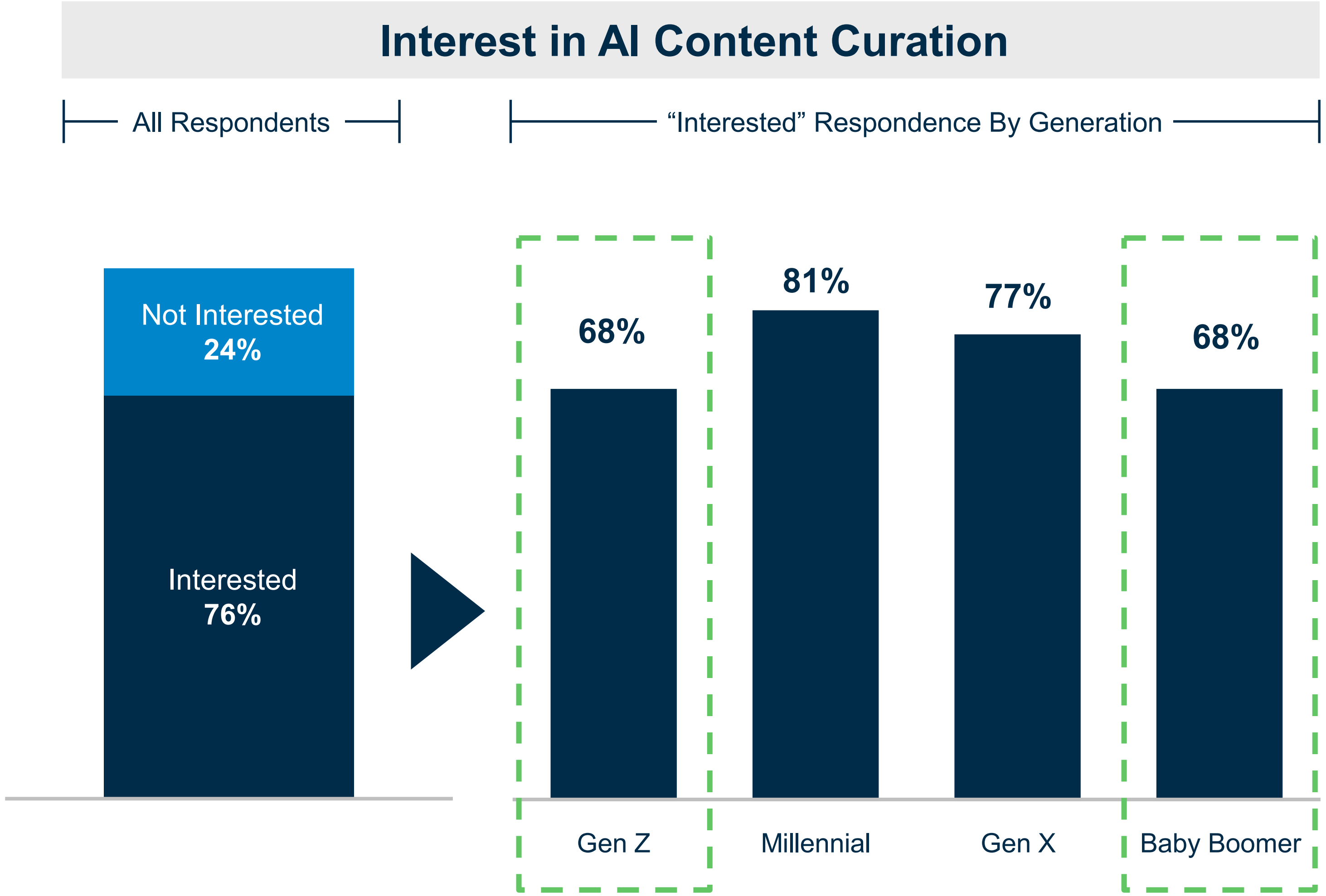
Notes: N=1500
Reference Question: Do you feel differently about AI creating short content versus longer content? For each type below, how accepting are you of AI writing and producing it?

# AI-enabled curation emerges as the clear leader in consumer AI adoption

Consumers show **broad interest in AI-driven curation of content and information**, driven by growing content overload

| | |
|---|---|
| **AI-driven content selection** | **76%** express interest in AI for filtering and selecting content and information |
| **Broad AI curation support** | **68%** of usually-resistant Gen Z and Baby Boomers are interested in AI curation |
| **Content overload** | **40%** report being overwhelmed and find it difficult to track content and subscriptions |

# Among AI use cases, content curation draws one of the most positive consumer responses




**76%** of consumers express support for **AI to select, organize, and present personalized content**

This **potentially replaces the role of traditional programmers and schedules** who previously built audiences

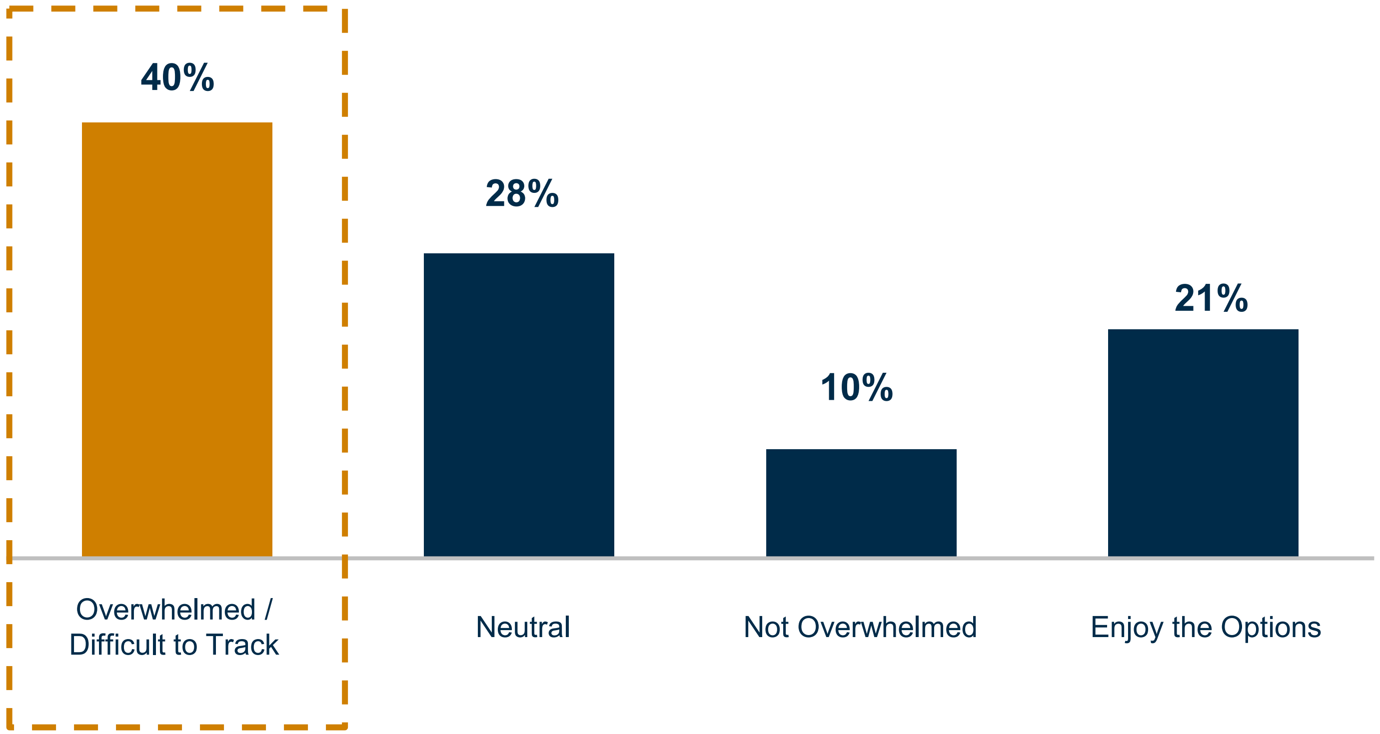
Even typically resistant cohorts—**Gen Z and Baby Boomers**—show strong support **(68%)** for AI-driven curation, signaling **near-term mainstream adoption potential**



Notes: N=1500
Reference Question: AI curation is the process of carefully selecting, organizing and presenting items, information or content in a way that is meaningful and relevant to you. Does this sound like something you'd be interested in the future?

# Content and subscription overload is linked to broad consumer support for AI-driven curation

## Reaction to Wide Range of Content & Subscriptions




**40%** of consumers feel **overwhelmed or struggle to track their content and subscriptions** across entertainment categories, including television, streaming, gaming, and music

A sense of overload and "over-choice" opens **new opportunities to bundle content and discovery** in ways that simplify and streamline the consumer experience

**Loyalty for services may drift** to new AI entrants as well as streamers, social media platforms, and legacy TV providers



Notes: N=1500
Reference Question: What most characterizes your feelings about the wide range of streaming platforms and content options available today?



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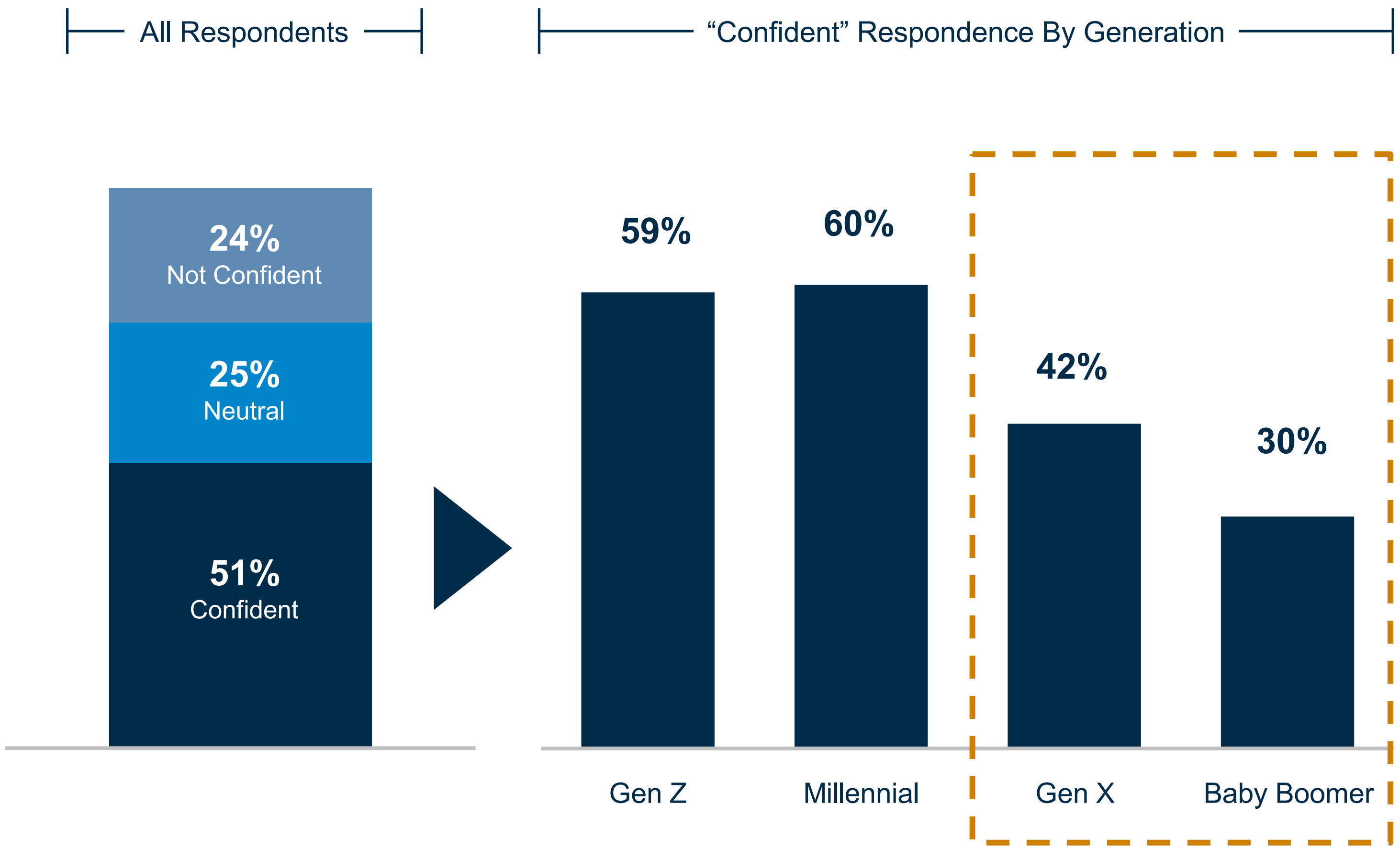
# Trust and perceived accuracy in AI-generated media varies widely across consumer groups

Driven by **privacy concerns** and **limited confidence** in ability to identify AI-generated content, trust appears **variable across demographics, content formats, and context**

| | |
|---|---|
| **Issues distinguishing AI content** | **51%** believe they can tell the difference between AI and non-AI content |
| **Persistent privacy concerns** | **59%** feel privacy is gone completely or is rapidly disappearing |
| **Low trust in AI-generated news** | **19%** of Gen Z have trust in AI-generated news, the lowest across demographic groups |

# Consumer acceptance of AI content depends on perceived transparency and detectability

## Confidence Level to Distinguish AI Content




Notes: N=1500
Reference Question: How confident are you in your ability to distinguish between AI-generated and human-created media content?

The ability to distinguish AI-generated from human-created content **matters to many consumers**, particularly those seeking to **preserve human creativity**

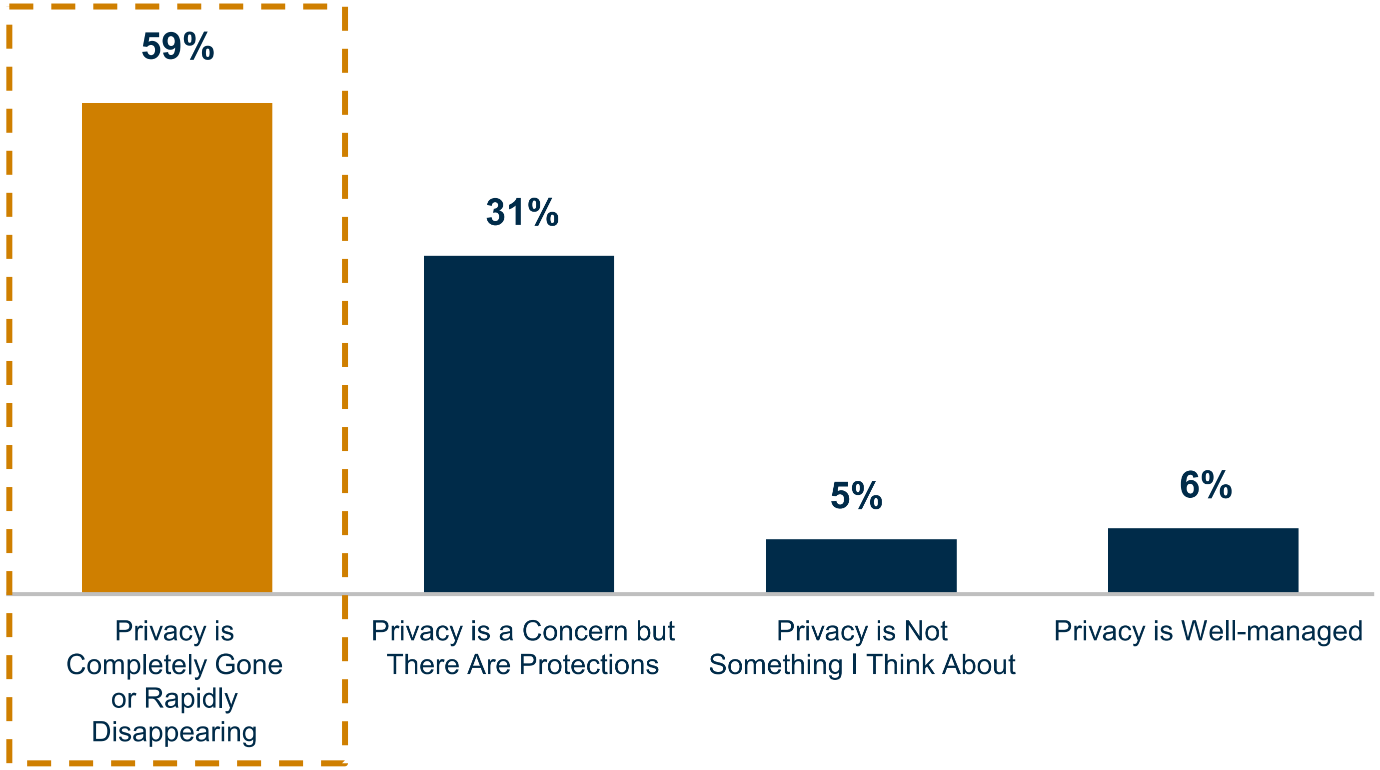
Only a slim majority **(51%)** believe they can tell the difference, while nearly one-quarter **(24%)** say they are not confident

**Gen X and Baby Boomers** report **significantly lower confidence** than younger cohort

As AI visual, audio, and creative tools continue to improve, even confident consumers may **struggle to distinguish AI-generated content**

# Concern over privacy and safety of personal data could pose a barrier to AI adoption

## Sentiments on Privacy




Notes: N=1500
Reference Question: Which statement best describes your view of privacy today and for the near future (next 2-3 years)?

**Privacy and data security dominate consumer concerns**

Most consumers **(59%)** believe **privacy is effectively gone or rapidly eroding**

**Optimism is limited: 31%** trust security protections to mitigate risks, and only **11%** see data sharing as a well-managed reality of modern life

Enthusiasm for new AI platforms and tools is novel, but **demand could slow or stall if deemed risky**





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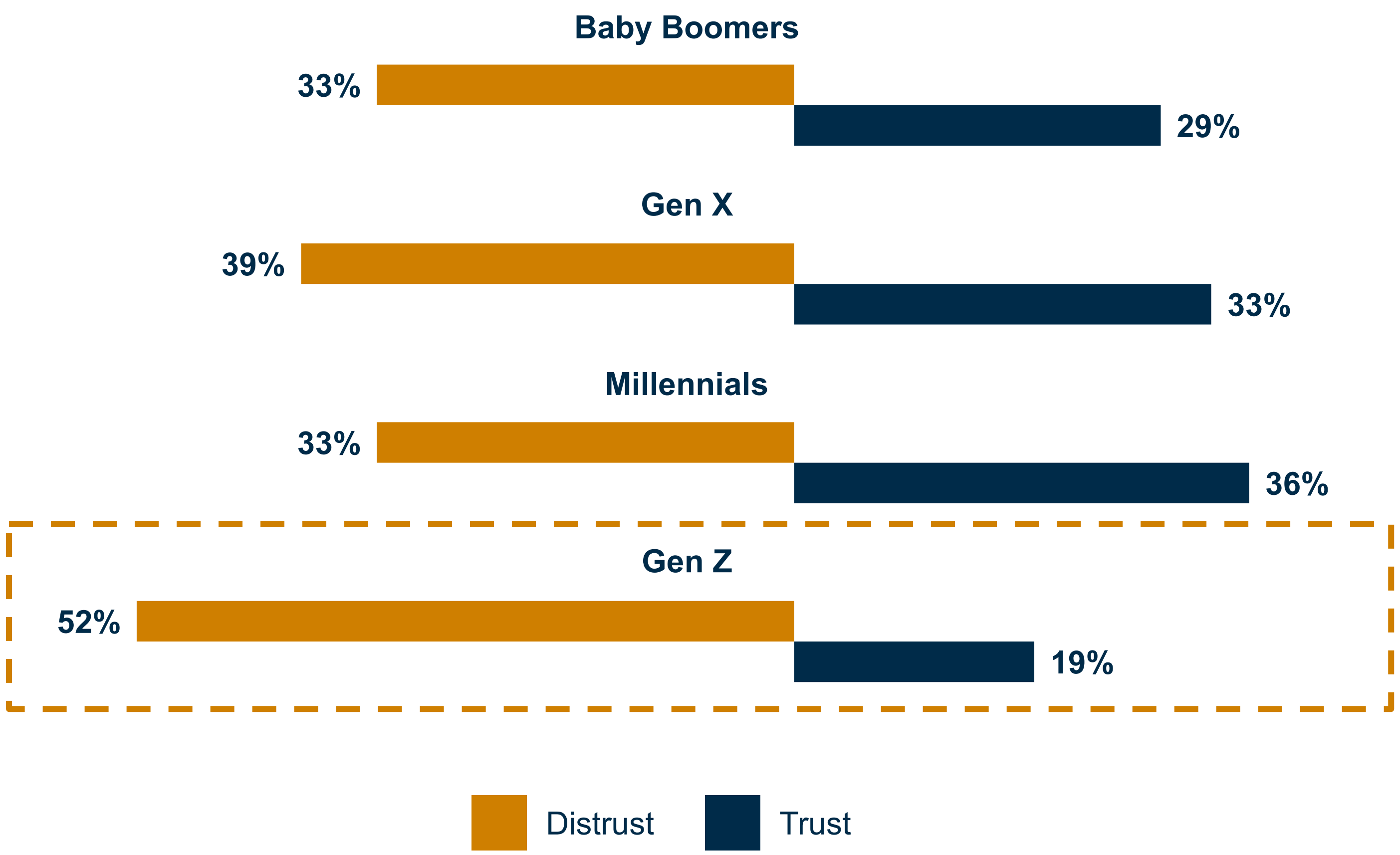
# Even in journalism, long defined by accuracy and verification, consumers are split on AI's trustworthiness

## Trust in AI Journalists




**Most generations are fairly evenly split,** with only modest deltas between trust and distrust

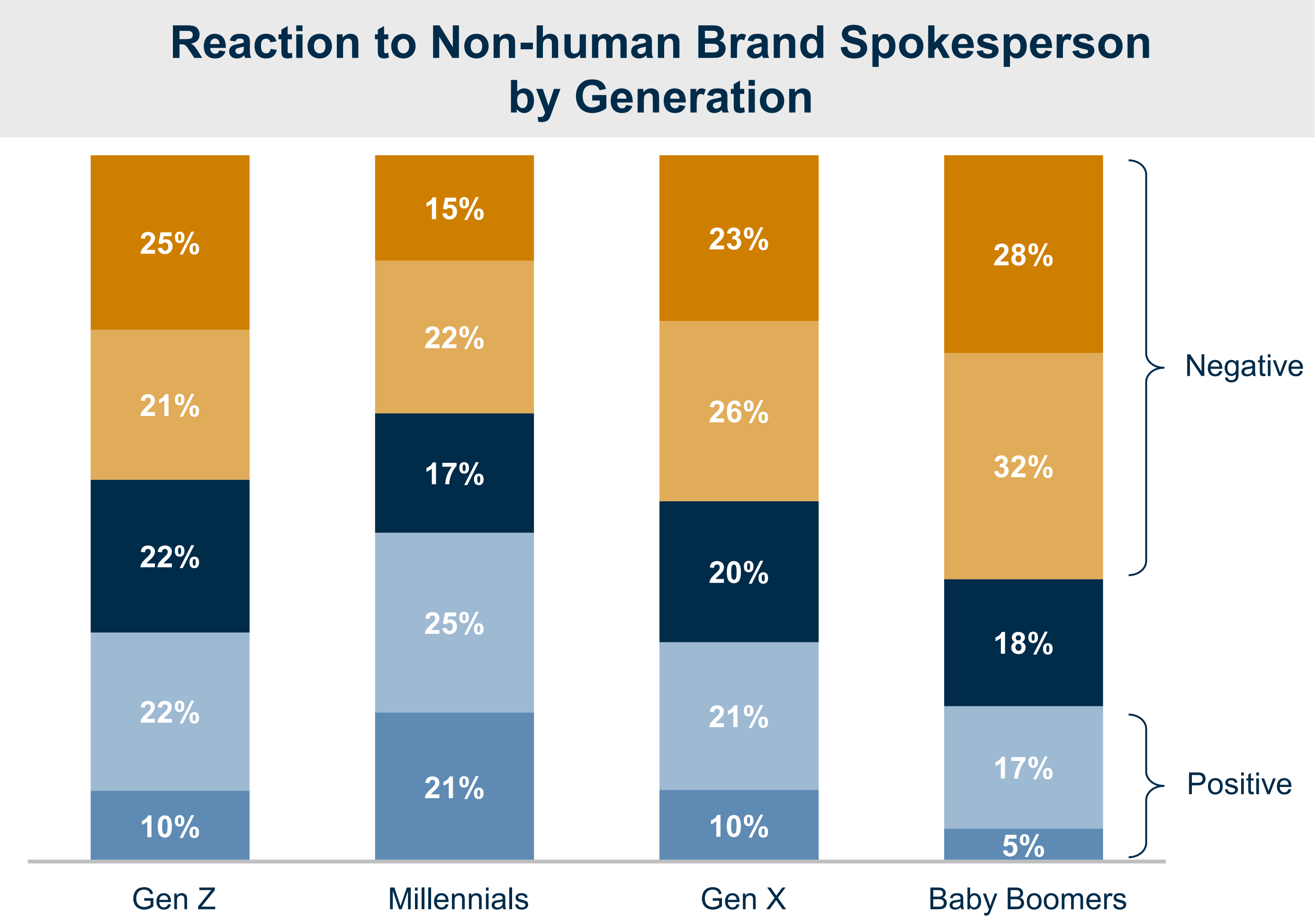
**Across all generations except Millennials, distrust outweighs trust** in AI-authored vs. editorial content

**Gen Z,** despite being digitally native, shows **the lowest trust** in AI-generated content—**just 19%**



Notes: N=1500
Reference Question: Imagine you are reading an editorial opinion piece on health policy. Please indicate your level of trust in the information, based on the article's author (e.g., AI-generated reporter or assistant, mainstream news outlet, professor/academic institution, someone I know personally, a major company or brand)

# Consumer skepticism toward AI extends to non-human brand spokespeople or influencers, but not uniformly




**Consumers appear skeptical of non-human brand influencers,** though not uniformly

**Baby Boomers show the strongest resistance (60% negative),** even with added personalization benefits

**Millennials stand apart,** with a **modest net-positive response** to AI brand spokespeople (+9%)

**Integration of synthetic voices** needs to be done carefully or risk consumer backlash of content and brands



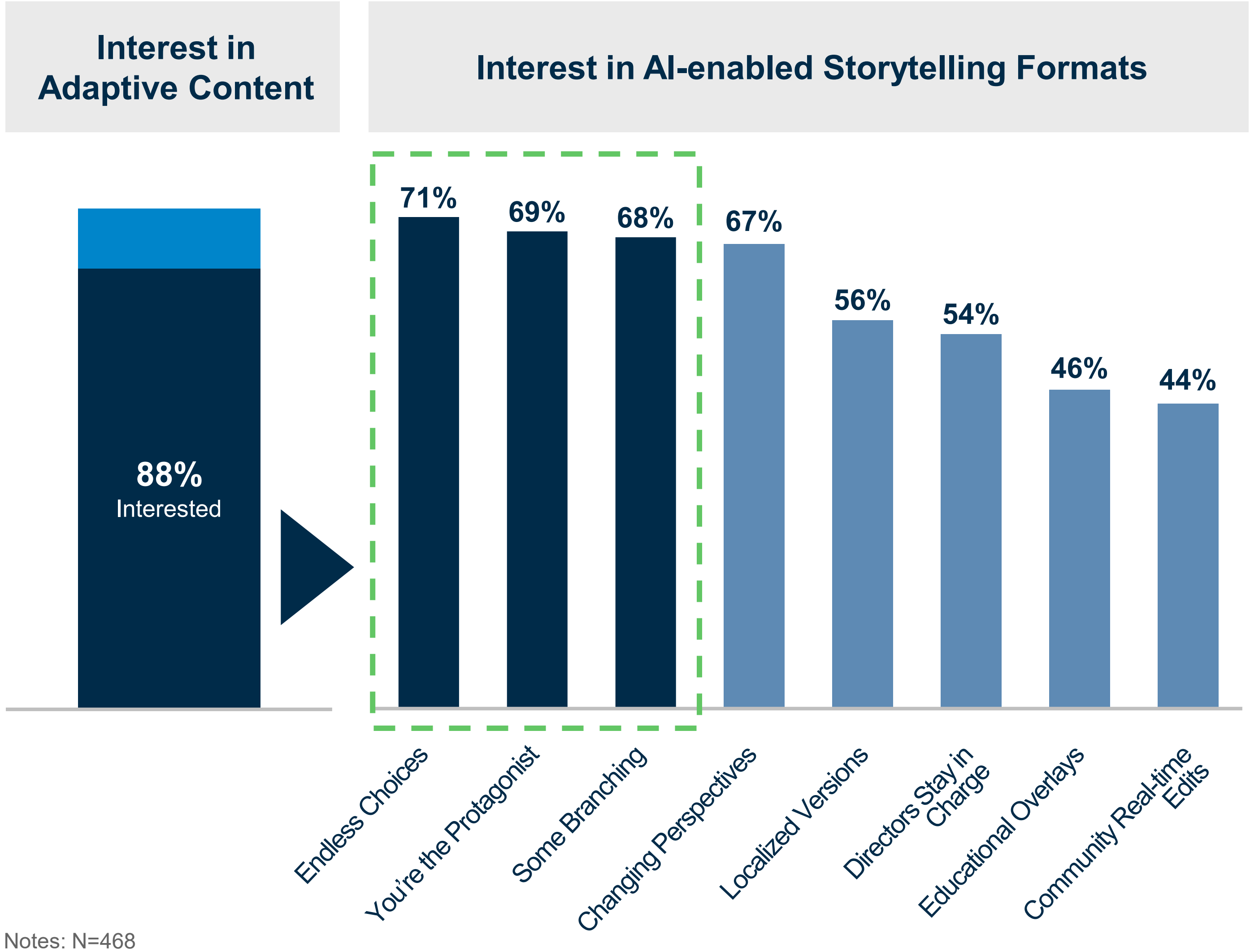
Notes: N=1500
Reference Question: Imagine that a well-known branded company uses AI to create a synthetic, non-human influencer on your social media that promotes amazing, spot-on products and excellent content. How do you feel about following and engaging with this AI influencer?

# Consumers signal new opportunities for participatory and personalized storytelling

Consumers show **broad enthusiasm for AI-enabled, adaptive storytelling**—especially **participatory formats** with flexible pricing

| | |
|---|---|
| **Dynamic adaptive media** | **88%** express interest across demographics in adaptive content enabled by AI |
| **Active audience participation** | **69%** have interest in storytelling that allows them an active role |
| **Flexible pricing models** | **43%** prefer a "freemium" experience for adaptive content |

# AI unlocks new content innovation as audiences embrace participatory storytelling




**88% of consumers are interested in AI-enabled adaptive content,** where stories personalize and respond to user preferences

**More than two-thirds of respondents want an active role in storytelling,** shaping plot, characters, and outcomes across future books, films, and other formats

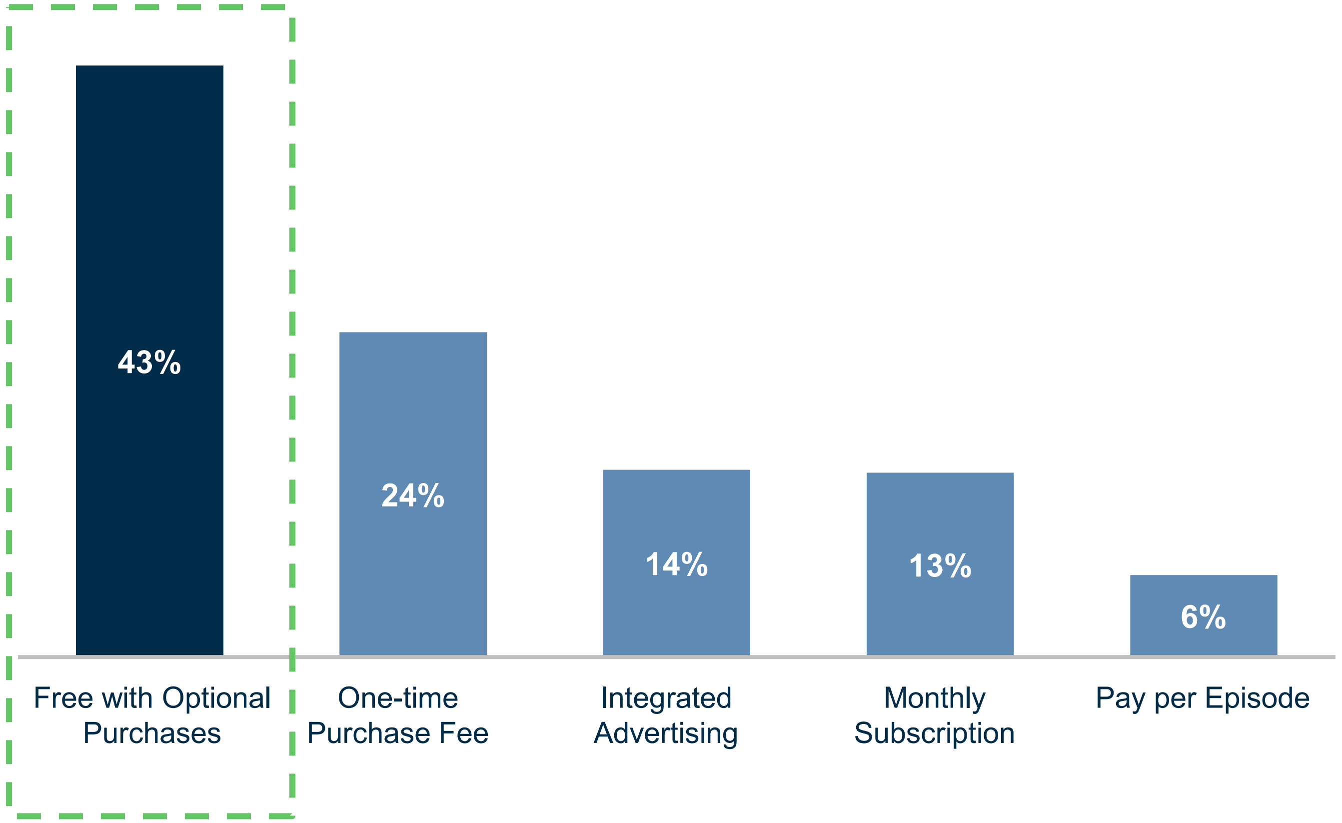
**AI-enabled innovative formats** offer new ways to engage audiences and extend IP



Notes: N=468
Reference Question: Imagine it's 2035, and entertainment uses new technologies and AI to shape storytelling and narration. Which of these new types of storytelling interests you?

# Consumers signal openness to new pricing models for AI-enabled adaptive content

## Preferred Pricing Models for AI-led Adaptive Content




**Freemium demand extends beyond video gaming** into future forms of adaptive and participatory content

**43% of consumers are interested in a "freemium" model,** with free access and **optional in-experience purchases** to enhance character, plot, or resources

AI-enabled storytelling offers novel ways to extend **audiences experiences**, reach **young demographics**, and **test new revenue** models



Notes: N=468
Reference Question: For entertainment that makes you, or a fictitious character you create, the central character in the story, which payment option would you find most appealing?



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# What This Means for M&E Companies



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# With AI consumer adoption patterns migrating quickly, M&E companies must reassess their future position, investments, and focus to capture opportunities

## Implications for M&E Companies

| | AI Gains in the Attention Battle | AI Becomes Core to Entertainment | AI Becomes a Gatekeeper | Trust Split by Content & Context | The Audience Enters the Story |
|---|---|---|---|---|---|
| **TREND** | **AI Gains in the Attention Battle** | **AI Becomes Core to Entertainment** | **AI Becomes a Gatekeeper** | **Trust Split by Content & Context** | **The Audience Enters the Story** |
| **KEY IMPLICATIONS** | ▪ Risk of audience and revenue erosion<br>▪ Increasing competitive set from AI players<br>▪ Rapidly shifting consumer media consumption behaviors<br>▪ Increased cost-pressure across content production lifecycle | ▪ Speed and cost intensity from AI-first studios<br>▪ Near-term reinvention or displacement of short-form creative teams (e.g., advertising, animation)<br>▪ Increased talent and brand risk from AI-driven market demands | ▪ Undermining of key M&E roles by AI curation (e.g., programming)<br>▪ Redirected consumer attention, changing revenue predictability<br>▪ Reinvented revenue models through AI efforts or partnerships<br>▪ Critical importance of metadata quality and algorithmic alignment | ▪ Increased focus on brand trust tied to AI values, audience, and context<br>▪ Opportunity to establish trust footholds<br>▪ Competitive advantage through AI transparency and ethics | ▪ Revenue opportunities from participatory storytelling offers<br>▪ Extended reach into new audiences and content categories through AI-enabled storytelling<br>▪ AI content innovation as integral as business AI-supported operations |





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# A&M highlights three critical areas for responding to fast-moving consumer trends, requiring alignment across long-term strategy, market dynamics, and brand positioning

Content discussion topics:

- Pursuing a **dual content strategy**, developing AI-generated content as well as traditional media
- Evolving AI capabilities **for short-form, adaptive, and personalized** content to meet emergent demand
- Evolving M&A to include **AI-first studios** as well as AI efficiency tools and solutions; ensuring post-merger integration and ROI
- Instituting **AI disclosures and transparency** for enterprise-wide consistency and values alignment with AI-skeptical consumers
- Advocating for talent and human creativity with **legislators, regulators, and guilds**


Distribution discussion topics:

- Evolving DTC **curation intelligence, personalization, and recommendations** to parity with AI curators and other intermediaries directing demand
- Ensuring **cross-enterprise, cross-library asset orchestration** so full library is ready to surface and serve across AI ecosystem
- Influencing **AI intermediaries** through relationships, partnerships, or licensing deals to offer content in right context to right user
- **Evolving metadata, asset management, and tagging** to include AI and legacy requirements
- Ensuring **comprehensive enterprise AI plan** and governance across business and creative

Monetization discussion topics:

- Enhancing **audience intelligence and segmentation addressability**, especially along consumer AI sentiment fault lines
- Optimizing **first-party data and data collaborations**—as well as creative optimization—for enhanced content engagement
- **Pricing and format-matching** by segment preference and sensitivities by content and context
- Focusing on **freeing up cash flow** to invest in AI-generated content and AI efficiencies
- Redoubling efficiency efforts, particularly in the **traditional content supply chain**, to enhance profits and support new investment areas

# As AI reshapes consumer behavior and the media value chain, the findings point to a set of consequential questions for leadership

## Questions for M&E Leaders

### 1 Content

- How should we compete for consumers' shifting attention toward AI-generated short-form content while protecting brand and market position?
- How can AI-enabled content creation be integrated into our existing strategy?
- What structural advantages and risks emerge from the new production economics?
- What decisions must we make in the next 12–24 months to avoid being cost-disadvantaged as AI-native studios scale?

### 2 Distribution

- What role should I play in media content discovery and demand in an AI-curated world, and what must be owned versus influenced to protect my core audience, revenue, and brand?
- As my content strategy expands, how should my distribution strategy and partners evolve to optimally capture and monetize shifting consumer behaviors?
- What new partnerships are required to influence and direct attention in a way that creates sustainable advantage?

### 3 Monetization

- Where can content innovation unlock new revenue streams and emergent categories?
- How can the AI content adoption curve be exploited as consumer progress from short-form to long-from and new formats like adaptive content?
- How do we balance potential AI-led profit advantages with talent, trust, and reputational risk?
- Where can segmented demand—varying by content type and context—be optimally captured?

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**At A&M, we have worked with media companies to help answer these challenging questions**


Introduction
A&M Findings
Trend 01
Trend 02
Trend 03
Trend 04
Trend 05
Implications
**Key Actions**

# A&M's Media and Entertainment Practice

From performance improvements to growth strategy, the **M&E practice at Alvarez & Marsal is expert at delivering results across the M&E industry**. A&M helps M&E companies **modernize content pipelines, scale AI-enabled operations, and evolve business models in line with shifting consumer behavior.** In fact, Forbes Magazine writes that A&M holds exemplary strength in performance improvement, benefiting all companies facing endemic and widespread change.

A&M's Media & Entertainment practice has worked with major media companies, including film and television studios, advertising agencies and holding companies, music labels, destinations and experiences, and publishers, to **enable operational effectiveness, explore new revenue models, adapt to fast-evolving industry trends, and optimize AI-led enterprise capabilities.** With projects ranging from large scale transformation, cost optimization, and content enablement, to supply chain modernization and IP monetization, **A&M brings its unique bottom-line and result-oriented solutions.**

## CONTRIBUTION

"Showtime for AI" and the consumer research initiative included significant contribution in research and insights from **Louisa Shipnuck Jones**, Director with A&M's Media and Entertainment practice. Thanks as well to **A&M colleagues in GCC** for data support and analysis

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