Disruption of Content Creation: The Impact of Generative AI on Entertainment

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Dissertation submitted in partial fulfillment of requirements for the International MSc in Management with specialization in Entrepreneurship and Innovation, at the Universidade Católica Portuguesa, 30/05/2024.

Abstract page

This thesis explores the transformative impact of Generative AI (GenAI) on the entertainment industry, emphasizing its potential to revolutionize content creation and its implications for creativity and business models. The literature review distinguishes AI, GenAI, and machine learning, tracing the historical development of GenAI and its disruptive effects, with current industry applications serving as examples.

A qualitative research methodology was used, featuring semi-structured interviews with industry experts. The findings indicate that GenAI significantly enhances operational efficiency by automating routine tasks, allowing creative professionals to focus on higher-value activities. GenAI also democratizes content creation, lowering barriers to entry. However, challenges remain in maintaining the authenticity and trust of AI-generated content, requiring human oversight to ensure quality and emotional resonance. Analysis of the TAM model shows that GenAI is easy to use and has high perceived usefulness, leading to its acceptance in the entertainment industry.

The study discusses future scenarios and managerial implications for integrating GenAI. It notes that GenAI in entertainment is not a disruptive innovation in the traditional sense, as leading companies are incorporating GenAI to enhance existing capabilities rather than being displaced by new entrants. Overall, the research presents GenAI as an important tool in the entertainment industry, driving operational efficiencies and creative possibilities, while underscoring the crucial role of human creativity in maximizing the potential of these technologies.

Keywords: Generative AI, Entertainment, Content Creation, Innovation, Technology Acceptance

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Sumário

Esta tese explora o impacto transformador da IA generativa (GenAI) na indústria do entretenimento, realçando o seu potencial para revolucionar a criação de conteúdos e as suas implicações para a criatividade e os modelos de negócio. Distingue IA, GenAI e aprendizagem automática, traçando o desenvolvimento histórico da GenAI e os seus efeitos disruptivos.

Uma metodologia qualitativa que utiliza entrevistas semi-estruturadas com especialistas da indústria revela que a GenAI aumenta a eficiência operacional através da automatização de tarefas de rotina, permitindo que os profissionais criativos se concentrem em actividades de maior valor. A GenAI também democratiza a criação de conteúdos, reduzindo as barreiras à entrada. No entanto, continuam a existir desafios na manutenção da autenticidade e da confiança nos conteúdos gerados por IA, exigindo uma supervisão humana para garantir a qualidade e a ressonância emocional. A análise do modelo TAM mostra que a GenAI é fácil de utilizar e tem uma elevada perceção de utilidade, o que leva à sua aceitação na indústria do entretenimento.

O estudo analisa cenários futuros e implicações de gestão para a integração da GenAI. Observa que, tradicionalmente, a GenAI não é uma inovação disruptiva, uma vez que as empresas líderes incorporam a GenAI para melhorar as capacidades existentes, em vez de serem substituídas por novos operadores. A investigação apresenta a GenAI como uma ferramenta crucial na indústria do entretenimento, impulsionando a eficiência operacional e as possibilidades criativas, ao mesmo tempo que sublinha o papel crucial da criatividade humana na maximização do potencial destas tecnologias.

Palavras-chave: IA generativa, entretenimento, criação de conteúdos, inovação, aceitação de tecnologia

Título: Disrupção da Criação de Conteúdos: O Impacto da IA Generativa no Entretenimento

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ChatGPT was used to clean up language in this paper but is not responsible for ideas or content.

Table of content

List of Figures

List of Tables

List of Abbreviations

- AI Artificial Intelligence
- GenAI Generative Artificial Intelligence
- ML Machine Learning
- PEOU Perceived Ease-of-Use
- PU Perceived Usefulness
- TAM Technology Acceptance Model
- VFX Visual Effects

1. Introduction

In an era profoundly shaped by technological advancements, Generative AI has emerged as a pivotal force, assisting creativity, and innovation across various sectors, particularly in entertainment. This technological evolution is poised to revolutionize content creation, audience engagement, and media consumption, yet its trajectory is mired in uncertainties and underexplored potentials. While Generative AI demonstrates its capability to augment human creativity, drive operational efficiencies, and forge new interactive experiences, its integration within the entertainment landscape has raised skepticism. Concerns regarding the dilution of human creativity, ethical implications, and the opacity of AI-driven processes persist, potentially stymieing the adoption and maturation of the technology. The recent Hollywood writers' strike exemplifies the tension between technological advancement and job security. Writers sought to protect their livelihoods from the encroachment of Generative AI, demanding assurances that AI would complement—not replace—their creative roles (Kinder, 2024) (Anguiano & Beckett, 2023). Notwithstanding these challenges, the entertainment sector stands on the cusp of a transformative era, where Generative AI can redefine narratives, democratize content creation, and engender immersive, personalized entertainment experiences. However, the depth of Generative AI's impact on the industry's evolution, business models, and creative paradigms remains insufficiently explored, necessitating a focused investigation. The challenge lies in navigating the complexities of integration and ensuring that the advancement of GenAI serves to augment rather than diminish human creativity. Through focused research and collaborative exploration, the entertainment industry can harness the power of GenAI to unlock new realms of possibility, driving innovation and captivating audiences like never before.

1.1. Academic and Managerial Relevance

From an academic viewpoint, the rise of Generative AI invites a re-examination of traditional theories related to creativity, media production, and audience interaction. Scholars are increasingly focused on understanding how AI-driven content creation challenges existing paradigms of intellectual property, copyright law, and creative authorship (Epstein, et al., 2023). The interdisciplinary nature of Generative AI research integrates computer science with humanities and social sciences, fostering a holistic approach to studying its impacts. Academically, this represents a rich vein of inquiry into how technology mediates human experiences and cultural expressions (Dwivedi, et al., 2023).

In 2023, funding for GenAI startups soared, reflecting a burgeoning interest and belief in the transformative potential of these technologies. This influx of capital underscores a collective

recognition of GenAI's capacity to redefine entertainment landscapes, from content creation to audience engagement (CB Insights, 2024). Generative artificial intelligence has the potential to significantly impact the global economy, potentially raising global GDP by 7%, which is nearly $7 trillion, over a 10-year period. This is attributed to the ability of Generative AI tools, powered by advances in natural language processing, to enhance productivity growth by 1.5 percentage points (Goldman Sachs, 2023).

The relevance of Generative AI extends across strategic planning and operational efficiency. The potential for Generative AI to disrupt traditional business models necessitates a forward-thinking approach, where executives must balance the integration of new technologies with the preservation of creative integrity and brand identity. Managers are tasked with navigating the complex landscape of AI regulation, ensuring compliance while advocating for policies that foster innovation and protect intellectual property (Berthon, Yalcin, Pehlivan, & Rabinovich, 2024).

Moreover, the evolution of Generative AI tools presents an opportunity for upskilling and reskilling within the entertainment workforce. Managers must lead the way in fostering a culture of lifelong learning and adaptability, ensuring that teams are equipped with the skills needed to thrive in an AI-augmented landscape, enabling an environment where technology amplifies human creativity rather than replaces it (Brynjolfsson, Li, & Raymond, 2023).

1.2. Problem Statement

This dissertation explores the transformative impact of Generative AI on the entertainment industry, focusing on its role in content creation. It seeks to understand how Generative AI is reshaping entertainment through innovation and efficiency while addressing critical concerns related to its adoption. The following research question guides the investigation:

- **RQ**: How is Generative AI influencing content creation within the entertainment industry?

This question seeks to understand how Generative AI is reshaping entertainment business models, with a focus on new revenue streams, operational efficiencies, and strategic implications of GenAI integration. The goal is to identify how companies can adapt to leverage Generative AI's opportunities for sustained growth and competitive advantage in an ever-changing landscape.

The investigation commences with exploring the fundamentals of Generative AI, tracing its historical development, and examining its contemporary applications in the entertainment sector. This review also elucidates the underlying mechanisms of Generative AI technology. Following this, the

methodology section delineates the research design and outlines the semi-structured interview approach. The subsequent chapter delves into the analysis and discussion of the research questions. Subsequently, the conclusion chapter elucidates the practical implications of the findings. Finally, the research limitations are listed.

2. Literature review

The literature review defines Generative AI technology, delving into its historical background and functionalities. Following this, the next section addresses content distribution versus content creation and underscores the disruption unfolding in the entertainment industry. Finally, by exploring the concept of content value creation, several existing use cases will illustrate and capture the current landscape of Generative AI in entertainment.

2.1. Differences between AI, GenAI, and Machine Learning

The following definitions provide a structured framework for discerning the different facets of artificial intelligence, facilitating comprehension of their respective scopes, functionalities, and applications. This section explores the primary definitions within the field of artificial intelligence, specifically focusing on AI, machine learning, and generative artificial intelligence.

- **Artificial Intelligence (AI):** The term refers to a broad domain that aims to simulate human intelligence through a variety of technologies and methodologies. The modern foundation for AI was laid in the early 20th century with the work of mathematicians, logicians, and philosophers. Alan Turing's groundbreaking 1936 paper, "On Computable Numbers," introduced the concept of a universal machine capable of executing any algorithm (Copeland, 2000) (Boden, 2018). This theoretical framework, now known as the Turing machine, became a cornerstone for later AI developments.

  The term "Artificial Intelligence" was coined in 1956 during the Dartmouth Conference (McCorduck, 2003). Subsequently, early work focused on problem-solving, natural language processing, and symbolic reasoning. Programs like Logic Theorist, developed by Allen Newell and Herbert A. Simon in 1955, and General Problem Solver, developed in 1957, demonstrated the potential of AI systems to perform complex tasks (Russell & Norvig, 2010).

  Artificial Intellligence encompasses a diverse range of approaches, including rule-based systems, expert systems, robotics, and natural language processing. These techniques are designed to enable computers and machines to perform tasks typically requiring human intelligence, such as reasoning, understanding language, recognizing patterns, and problem-solving (Dobrev, 2012).

- **Machine Learning (ML):** ML is a subset of artificial intelligence that emphasizes algorithms enabling computers to learn from data without explicit programming. This process is data-driven and relies on statistical methods to identify patterns and make predictions or decisions. ML encompasses various learning paradigms, such as supervised learning, unsupervised learning, and reinforcement learning, which contribute to its versatility and wide-ranging applications (Brown S. , 2021).

- **Generative Artificial Intelligence (GenAI):** GenAI represents a subcategory within AI that focuses on generating new content based on existing data. GenAI investigates systems that can grow and develop in unpredictable ways, capable of evolving and producing new results without strict programming. These systems try to emulate aspects of organic learning, relying on techniques like feedback and interaction with their surroundings to support the growth of intelligent behaviors (Müller, 2013).

2.2. Generative Artificial Intelligence

Generative AI is a subset of artificial intelligence focused on producing new, previously non-existent content, including images, text, audio, and even video (NVIDIA, 2024). This creation process is based on patterns and structures derived from large datasets, allowing the AI to generate outputs that resemble or even innovate upon existing works (Guo & Chen, 2024). The defining characteristic of Generative AI is its capacity to generate rather than merely process, classify, or recall information. This fundamental distinction sets it apart from other forms of AI, which typically focus on discriminating, sorting, or analyzing data without producing new content (Cevallos, 2023). Generative AI can create art, compose music, write scripts, generate synthetic data for training other AI models, and even assist in designing products (Goodfellow, et al., Generative Adversarial Nets, 2014) (NVIDIA, 2024).

One of the key reasons for the rise in popularity of Generative AI is its capacity to transform industries that rely on creativity and innovation. For example, in art and design, Generative AI can create unique pieces of artwork, suggesting new patterns and styles (Elgammal, Liu, Elhoseiny, & Mazzone, 2017). In entertainment, it can be used to write scripts, compose songs, or even develop video game assets (Reed, et al., 2016). The medical field also benefits from Generative AI, using it to generate synthetic medical images for training purposes or to simulate biological processes in drug discovery (Gulshan, Peng, & Coram, 2016).

Generative AI's flexibility comes from its underlying technology, which involves complex neural networks that learn from large datasets (Feuerriegel, Hartmann, Janiesch, & Zschech, 2024). These neural networks are inspired by the human brain, with interconnected nodes (neurons) organized into layers (AWS, 2024). When trained on a dataset, these networks adjust their internal parameters to replicate patterns and relationships within the data, allowing them to generate new outputs that align with these learned patterns (Zhou, Abhishek, Derdenger, Kim, & Srinivasan, 2024).

2.2.1. History of Generative AI

The history of Generative AI traces back to the early days of artificial intelligence when researchers explored ways to simulate human-like creativity (Schmidhuber, 2015). The concept of "generative" models has been present in AI research for decades, but the specific focus on creating content gained prominence in the 2000s (LeCun, Bengio, & Hinton, 2015).

The roots of Generative AI can be traced to the broader history of artificial intelligence. In the mid-20th century, AI pioneers focused on building systems that could mimic specific human tasks, mainly involving data processing and classification. Early AI efforts centered on deterministic algorithms and rule-based systems, lacking the flexibility to generate new content. However, research began to explore probabilistic models that could create data, laying the groundwork for Generative AI (Cao, et al., 2018).

One such early approach was the Hidden Markov Model (HMM), a statistical model that can represent systems with hidden states. HMMs were used extensively in speech recognition, allowing AI systems to generate sequences based on probabilistic transitions. Although these models were primarily employed for analysis and classification, they marked the beginning of exploring generative capabilities within AI systems (Knill & Young, 1997).

The landscape of Generative AI underwent a significant transformation in 2014 with the introduction of Generative Adversarial Networks (GANs) by Ian Goodfellow and his colleagues. GANs represent a novel approach to generative modeling, involving two neural networks: the generator and the discriminator. The generator creates new data, while the discriminator assesses whether the data is real or generated. This feedback loop results in increasingly sophisticated outputs, as the generator learns to mimic real data more closely. GANs' unique structure and training process set them apart from previous generative models (Goodfellow, et al., 2014).

Following the introduction of GANs, the field of Generative AI expanded rapidly, with researchers exploring various methods to generate content. Variational Autoencoders (VAEs) emerged as a significant variant, offering a different approach to generative modeling. VAEs use probabilistic methods to learn the distribution of data and generate new outputs by sampling from this distribution. This approach allows for more control over the generative process and has found applications in image generation and other creative tasks (Holmes, 2023) (Emad, 2024).

Another significant advancement in Generative AI came with Transformer-based models. Transformers, introduced in 2017, revolutionized natural language processing by allowing for parallel processing and attention-based mechanisms (Vaswani, et al., 2017). This innovation led to the development of Generative Pre-trained Transformer (GPT) models, which can generate coherent text by pre-training on vast amounts of data. GPT models, such as GPT-2 and GPT-3, demonstrated the power of Transformer-based Generative AI, leading to breakthroughs in text generation and language-based applications (Brown, et al., 2020).

The history of Generative AI is marked by continuous evolution and innovation. Researchers and developers continue to push the boundaries of what is possible, exploring new models, techniques, and applications. The rapid growth of Generative AI underscores its significance and potential, with applications ranging from artistic expression to industrial design, entertainment, healthcare, and beyond (Gordon, 2023).

2.3. Disruption

This section of the literature review examines the significant impact of Generative AI (GenAI) on entertainment production. It will particularly focus on how GenAI is transforming content creation, discussing key concepts of innovation, the dynamics of technology adoption, and practical use cases within the content creation process.

2.3.1 Key Concepts of Innovation

Schumpeter introduced the idea of "creative destruction," which he described as a continuous transformation that refreshes the economic landscape by simultaneously destroying old structures and creating new ones (Dodgson & Gann, 2010). He emphasized that this is a fundamental aspect of the dynamic nature of competitive capitalism, where new innovations routinely disrupt existing norms. Rogers (1983) broadly defined innovation as "an idea, practice, or object that is perceived as new by an individual or other unit of adoption" (Rogers, 1983). Building on Schumpeter's concept, various

theories on the drivers, diffusion, and acceptance of innovations have developed, including disruptive, sustaining, and efficiency innovations from Christensen, and frameworks like demand-pull and technology-push, which have become foundational in management studies (Christensen C. , 1997) (Christensen & van Bever, The Capitalist's Dilemma, 2014)

"Disruptive innovation" was first used by Clayton Christensen in the Harvard Business Review (1997) while studying the evolution of disk drives (Christensen C. , 1997). Christensen, along with Raynor and McDonald (2015), described how smaller companies with fewer resources could outplay larger firms. These incumbent firms often focus on incremental improvements for their most profitable customers and overlook opportunities in new markets. This oversight makes them vulnerable to new entrants who meet the basic needs of less demanding customers, creating new markets (Christensen, Raynor, & McDonald, 2015). Christensen (1997) observed that this failure often stems from management's focus on short-term gains over innovations that could ensure long-term success, which he called the "innovator's dilemma" (Christensen C. , 1997). Additionally, the tendency of companies to prioritize short-term financial metrics—a practice known as the discounted cash flow (DCF) trap—further complicates strategic decisions, leading to what Christensen and Van Bever (2014) describe as the "capitalist's dilemma," where traditional investment metrics often discourage long-term innovation (Christensen, Kaufman, & Shih, 2008).

2.3.2. Innovation Dynamics: Adoption Model and Drivers

The Technology Acceptance Model (TAM) is an essential framework for elucidating the dynamics of technology adoption and can be particularly instrumental in explaining the scope of technological disruptions (Rogers, 1983). Developed by Fred Davis in 1989, TAM provides a robust theoretical foundation that helps in understanding how users come to accept and utilize new technologies. In the context of technological disruption, TAM's insights into user adoption behaviors are invaluable (Davis, 1989).

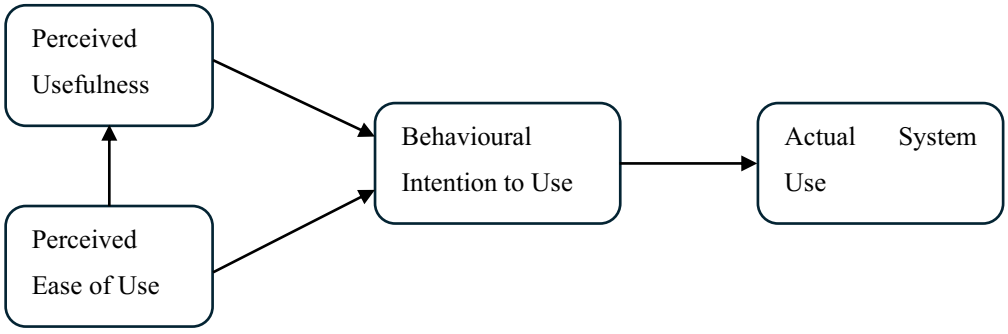

Figure 1: TAM Framework (Davis, 1989)

One of the core components of TAM is the concept of *Perceived Usefulness*, which refers to the degree to which a user believes that a particular technology will enhance their job performance or daily activities. When examining the scope of a technological disruption, understanding perceived usefulness is crucial. If users find the disruptive technology significantly more beneficial than existing solutions, the likelihood of rapid and widespread adoption increases. This perceived benefit drives user interest and commitment, thereby amplifying the impact of the disruption (Venkatesh, Morris, Davis, & Davis, 2003).

Additionally, *Perceived Ease Of Use* is a critical factor in TAM that influences technology adoption. This dimension assesses how effortless and straightforward users find the new technology. Technologies that are intuitively designed and easy to navigate are more likely to be adopted quickly. In a disruption scenario, if the new technology presents a steep learning curve or usability issues, it might hinder the adoption process, regardless of its potential benefits. Therefore, evaluating the ease of use can provide predictive insights into the potential barriers that might impede the adoption and diffusion of disruptive technologies (Venkatesh, Morris, Davis, & Davis, 2003).

Furthermore, TAM helps identify barriers to adoption that could mitigate the impact of technological disruptions. For instance, if users perceive a new technology as not particularly useful or difficult to use, these perceptions can act as significant barriers. Understanding these barriers allows organizations to address them proactively, either by enhancing the technology's functionality to increase perceived usefulness or by improving user interfaces and support systems to enhance perceived ease of use (Venkatesh & Davis, 2000).

2.3.2.1. Wright's Law and Moore's Law

Wright's Law and Moore's Law are two influential theories in technology and economics that describe the pace of technological improvements over time, particularly in terms of cost efficiency and computing power.

Wright's Law, named after Theodore Paul Wright, was introduced in 1936. It states that for every cumulative doubling of units produced, costs will decrease by a consistent percentage. This principle has been widely observed in manufacturing sectors, including electronics, where increased production volumes lead to improved efficiencies and cost reductions. Wright's Law is particularly relevant in contexts where scale effects are significant, allowing for predictions about how costs will decline as production experience grows (Roser, 2023).

Moore’s Law is named after Gordon Moore, the co-founder of Intel. In 1965, Moore observed that the number of transistors on a microchip doubles approximately every two years, though the cost of computers is halved (Moore, 1965). Moore's Law has become a guiding principle for the semiconductor industry, predicting the exponential increase in computing power and the decrease in relative cost, thus driving continuous advancement in digital technologies (Brock, 2006). Unlike Wright's Law, which focuses on cost reduction through manufacturing efficiency, Moore’s Law is concerned with the increase of processing power in integrated circuits over time.

Both laws have been crucial in forecasting technological progress and economic impacts in industries reliant on technology advancements, including entertainment, where such predictions can influence decisions on investments in new technologies and the development of innovative products and services.

2.3.1. From the disruption of content distribution to the disruption of content creation

The evolution of technology has consistently transformed how content is distributed and consumed. In the past, traditional distribution channels such as television, radio, and print media dominated the landscape. However, the digital revolution, with the emergence of the internet and streaming platforms, disrupted this traditional model, allowing for greater accessibility, flexibility, and diversity in content distribution (Jenkins, 2006).

As content distribution adapted to the digital age, new platforms like YouTube, Netflix, and Spotify emerged, enabling users to access content on demand (Rose, 2022). This shift empowered creators to bypass traditional gatekeepers, fostering a more direct connection between content creators and audiences. Social media further accelerated this trend, allowing content to spread rapidly and enabling creators to build large followings without the need for traditional media channels (Lotz, 2017).

However, disruption in content distribution is only one aspect of the broader transformation. GenAI is ushering in a new era where the disruption extends beyond distribution to the very core of content creation. This shift from disruption in distribution to disruption in content creation is marked by the emergence of GenAI tools capable of generating content autonomously (Hearn, 2020).

Historically, content creation required significant resources, skills, and connections. With GenAI, the barriers to entry are significantly lowered (Fatemi, 2023). AI tools enable individuals and small teams to produce high-quality content without extensive budgets or specialized skills. This democratization

encourages a more diverse range of voices and perspectives, leading to a broader array of content available to audiences (Mabe, 2024).

Disruption of content creation has profound implications for industries that rely on traditional production processes. GenAI's ability to automate tasks across the content creation spectrum—from ideation and storyboarding to production and post-production—can significantly reduce costs and accelerate timelines (MARZ, 2024). This has the potential to reshape business models and operational structures in industries such as film, television, advertising, and music (Davenport & Bean, 2023).

The shift in content creation can also affect how consumers experience media. GenAI's ability to personalize content allows for more tailored and immersive experiences. AI-driven content can adapt to individual preferences, creating unique and interactive experiences that were previously not feasible (Portman, 2023). The significance lies in the potential to transform the consumer's relationship with media. Personalized content can lead to greater engagement and loyalty, but it also raises questions about the loss of shared cultural experiences. If content becomes overly personalized, the common ground that unites audiences may diminish (Bannerman, 2023).

2.3.2. Disruption of GenAI: Current Use Cases

At present, GenAI exhibits a multiplicity of use cases, particularly as the industry finds itself amid an ongoing disruption. For this reason, the subsequent section is divided into the main four parts of the content creation process.

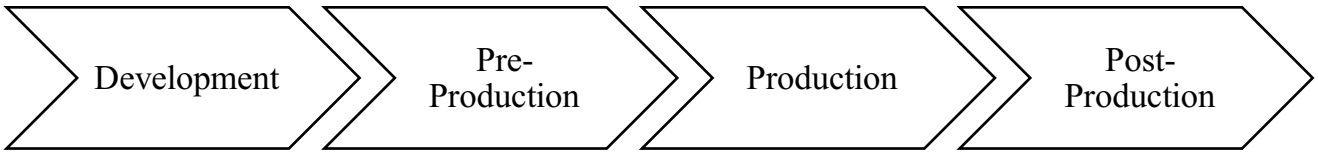

Figure 2: Phases of content creation

2.3.2.1. Development and Pre-Production

In the development phase, projects evolve from basic ideas into detailed scripts (Williams & Ingram, 2023). Generative AI assists in ideation through AI-powered chatbots that help writers brainstorm and develop story arcs. Additionally, text-to-image tools quickly generate storyboards and animatics, visualizing scenes for directors and producers (Krock.io, 2024) (Appendix A).

As projects move into pre-production, they undergo formal casting and contracting, script finalization, and set and costume design. Generative AI aids in previsualization through text-to-3D or Neural Radiance Fields (NeRF), enabling detailed visualization before filming. AI-based casting tools identify suitable actors, streamlining the casting process (Taskade, 2024).

2.3.2.2. Production Phase

During production, scenes are filmed, often involving complex setups and special effects. Generative AI's text-to-video generators create B-roll and background footage, reducing costs and offering greater flexibility (Kapwing, 2024). AI-based tools also assist with planning mechanical or practical special effects, enhancing safety and efficiency during production (OpenAI, 2024).

2.3.2.3. Post-Production and Beyond

In post-production, raw footage is edited and enhanced with visual effects, sound editing, and final rendering (Tsapanos, Nikolaidis, & Pitas, 2011). GenAI significantly impacts this phase by automating repetitive tasks and streamlining complex processes. AI-assisted editing tools automate technical tasks, like color grading and background removal, allowing editors to focus on creative elements (Adobe, 2024).

Advanced GenAI tools facilitate visual effects (VFX), enabling the creation and compositing of CGI elements (Pavlov, 2023). Generative AI can also rapidly translate dialogue and create subtitles, expanding content's accessibility to global audiences. These automated localization capabilities are crucial for reaching diverse audiences in a more connected entertainment landscape (OpenAI, 2024).

Companies like MARZ are pushing the boundaries of GenAI in post-production with VanityAI, which automates digital makeup, aging, and de-aging processes (Appendix B). This technology is hundreds of times faster than traditional VFX workflows, with $8 million in savings (MARZ, 2024). Similarly, Perfection42's style transfer tool and Metaphysic's automated face-swapping technology are transforming post-production tasks by applying changes across multiple frames (Perfection42, 2024).

The influence of Generative AI on the entertainment industry is deeply significant, particularly evident in the ongoing experimentation by early adopters. However, as this technology continues to advance, its trajectory will increasingly be influenced by active participants within the entertainment sector. These stakeholders will be the focus of this academic research, thus implicating a qualitative analysis. The following methodology will be used to answer the *Research Question*.

3. Methodologies

The following chapter details the research methodology, including the research design and the type of analysis.

3.1. Research Design

This study employs a qualitative methodology with semi-structured interviews to explore the disruptive impact of Generative AI on the entertainment industry. The semi-structured interview design was chosen due to its balance between structure and flexibility. This design promotes in-depth discussions, allowing researchers to guide the conversation while enabling participants to share their perspectives and experiences freely (Kvale & Brinkmann, 2009). Given the rapidly changing nature of Generative AI technology, this flexibility is crucial for capturing emerging trends and insights (Bryman & Bell, 2015).

3.2. Data Collection and Handling

Data collection involved recording and transcribing each interview to ensure accuracy and facilitate detailed analysis. Prior to each interview, participants were informed about the study's purpose, and their consent was obtained for recording. The transcriptions were carefully reviewed to identify key themes and concepts (Gioia, Corley, & Hamilton, 2012).

3.2.1. Primary data collection

Rowley (2012) describes interviews as a primary tool in qualitative research, providing avenues to gather insights into various aspects such as opinions, attitudes, experiences, and behaviors (Rowley, 2012). The semi-structured format of interviews facilitated an open exchange, allowing for the exploration of key topics while remaining adaptable to emergent insights (Rubin & Rubin, 2012). This flexibility was pivotal in uncovering the multifaceted impacts of Generative AI on content creation within the entertainment industry. In business research, semi-structured interviews are prevalent, offering a balance between guided structure and flexibility for organic exploration (Magaldi & Berler, 2020). The interview guide, constructed through inductive reasoning and drawing upon prior knowledge, comprised eleven questions (refer to Appendix C), with each interview lasting approximately 30 to 45 minutes.

Outreach efforts extended to 74 potential interviewees via email, LinkedIn, and personal networks, resulting in a diverse pool of participants. Theoretical saturation was reached after initial interviews

with seven individuals, supplemented by five more for comparative analysis, affirming the comprehensiveness of the findings (Saunders, et al., 2018). The 12 participating experts, detailed anonymously in Table 2 alongside their positions, expertise, and experience, were selected to ensure a broad spectrum of perspectives.

Interviewee	Profession	Description
Interviewee 1	Marketing Professional	Currently holds a position as Marketing & Content Manager at a major online retail company, overseeing social media initiatives for European marketplaces, focusing on influencer campaigns and content creation.
Interviewee 2	Content Creator	Initially focused on personal and professional development content for Spanish speakers, now expanded to an international audience through various social media platforms.
Interviewee 3	Tech Entrepreneur	CEO and founder of an AI startup, previously held significant roles in blockchain technology and digital sales at leading technology service companies, now focused on democratizing AI technology.
Interviewee 4	IT Specialist	Engagement Manager at a technology consulting firm, with over two decades in the IT industry, specializing in client relationship management within the Media and Entertainment sector.
Interviewee 5	Cultural Entrepreneur	Co-founder of a community platform highlighting affordable cultural events in a major Italian city, aimed at students and young professionals.
Interviewee 6	Corporate Executive	Global Managing Director at a multinational technology company, focusing on key accounts and integrating advanced technologies like AI and hybrid cloud solutions into client services.
Interviewee 7	Media Consultant	Head of a Media & Entertainment Practice at a global consulting firm, with a background in brand strategy and media finance, now focused on implementing Generative AI in content strategies.
Interviewee 8	Visual Tech Consultant	Founder of a tech consultancy specializing in 3D visualizations and digital twins using drones and advanced imaging technologies, catering to industries like animation, visual effects, and extended reality.
Interviewee 9	Cybersecurity Expert	Founder of a cybersecurity firm dedicated to high-level digital protection services, exploring the implications of new technologies on security practices.
Interviewee 10	Social Media Strategist	Independent digital strategist with expertise in content creation for social media platforms, working with major streaming services to develop engaging online content.
Interviewee 11	Marketing Manager	Marketing Programme Manager at a leading online streaming service, with a diverse background in marketing and content production for well-known entertainment brands.

Interviewee 12	Production Specialist	Junior Producer with a sports background, currently engaged in animation and content production projects, focusing on the integration of creative and commercial elements.

Table 1: List of Interviewees

Interviews were conducted either in person, via Google Meet, or by phone, with consent obtained for recording purposes. The interview protocol structure consists of five sections, each focusing on key topics to better understand the impact of AI in the entertainment sector (refer to Appendix C).

- ***Background and Role***: This section aims to gather contextual information about the interviewee, providing insights into their professional background and current role. Understanding the interviewee's position and experience helps to contextualize their responses and perspectives on Generative AI.
- ***Overview of Generative AI in Entertainment***: This section focuses on obtaining an overview of the interviewee's views on the current state and impact of Generative AI within the entertainment industry. It seeks to identify general trends, applications, and the overall influence of these technologies.
- ***Validation of Literature Review***: This section is designed to cross-verify findings from existing literature with the interviewee's practical experiences. It aims to pinpoint areas where Generative AI can improve workflows and highlight current limitations faced by professionals in the industry.
- ***Research Question Deep Dive***: This section aims to gather detailed information on how Generative AI influences content creation and the professional environment. It also assesses the acceptance and usability of these technologies among professionals.
- ***Future Projections***: The final section aims to explore the interviewee's perspectives on the future evolution of Generative AI in the entertainment sector. It seeks to identify expected developments and potential challenges that might arise in the adoption and integration of these technologies.

Transcripts were meticulously analyzed to guarantee accuracy and confidentiality. Participants were briefed on the study's objectives and provided consent for recording. Anonymity measures were enforced to protect personal information, and participants were assured of their right to withdraw from the study at any point without repercussions.

3.3. Data Analysis

The method selected for analyzing the data from the semi-structured interviews is based on the approach developed and reported by Gioia et al. (2012). Gioia's inductive methodology aims to articulate concepts relevant to human organizational experiences in a way that is meaningful to those involved and suitable for scientific theorization.

This systematic inductive approach is rooted in the theory developed through qualitative data, which provides "deep and rich theoretical descriptions of the contexts within which organizational phenomena occur" (Gioia, Corley, & Hamilton, 2012). The grounded theory model ultimately seeks to illustrate the dynamic relationships among emerging concepts that describe or elucidate the phenomenon of interest. Additionally, it aims to clearly demonstrate all relevant connections between data and theory, addressing the common concern that qualitative research can sometimes lack clarity in showing this relationship (Gioia, Corley, & Hamilton, 2012).

The first stage of this approach, open coding, involves breaking down the data into smaller units based on content, deriving first-order concepts directly from participants' wording. This ensures that the "knowledgeable agents" accurately capture the phenomenon of interest and the informants' experiences (Gioia, Corley, & Hamilton, 2012). The second stage, axial coding, involves organizing these concepts into a data structure, grouping first-order concepts into broader categories, and identifying patterns and dynamic relationships among them (Gioia, Corley, & Hamilton, 2012). The final stage, selective coding, synthesizes these second-order themes into aggregated dimensions, representing the researcher's abstract interpretation of the data (Gioia, Corley, & Hamilton, 2012).

This systematic approach is particularly well-suited for analyzing data obtained through inductive research, addressing critiques of qualitative research regarding a perceived "lack of qualitative rigor" and the adequacy of justifications for its statements. This approach aims to counter skepticism about whether qualitative researchers are engaging in creative theorizing based on insufficient evidence (Gioia, Corley, & Hamilton, 2012). Therefore, this inductive systematic method offers a distinct and comprehensive framework for conducting thematic analyses of qualitative data and gaining a deep understanding of organizational experiences and processes (Gioia, Corley, & Hamilton, 2012). These procedures not only help organize the data but also enhance the rigor and transparency of the research (Gioia, Corley, & Hamilton, 2012), making it well-suited for exploring the impact of GenAI on content creation in the entertainment industry.

4. Analysis

The following analysis is carried out in two steps to examine the impact of Generative AI on entertainment. First, the findings and analysis section will be organized based on aggregate dimensions and the frequency of first-order concepts, starting with the most frequently mentioned by the interviewees (Gioia, Corley, & Hamilton, 2012). Second, the results of testing the Technology Acceptance Model (TAM) will be analyzed.

4.1. Operational efficiency

Within the entertainment industry, the integration of generative AI has been explored extensively to enhance operational efficiency. The analysis of interviews with industry professionals reveals several critical second-order themes, each highlighting specific challenges and opportunities associated with the adoption of AI technologies.

4.1.1. Enhancing Efficiency

The integration of generative GenAI within the entertainment industry has significantly enhanced operational efficiency, a theme consistently highlighted across multiple interviews conducted for this study. The efficiency gains can be primarily attributed to AI's capacity to automate routine, time-consuming tasks, thereby allowing creative professionals to focus on more value-added activities. Interviewees consistently underscored the role of generative AI in automating routine and repetitive tasks, a shift that has markedly improved efficiency. For instance, interviewees from Interviews 2, 3, 4, 5, and 6 emphasized how GenAI handles mundane activities such as metadata translation, video library searches, and content editing. One interviewee noted, "(Gen)*AI is automating many repetitive tasks*[…] *which allows myself to focus more on the creative aspects of the work*" (Interview 4). This automation reduces the manual workload, enabling teams to redirect their efforts toward strategic and innovative pursuits.

Generative AI's impact extends beyond task automation to the broader production process, enhancing speed and simplifying workflows. Interviewees from Interviews 2, 6, and 7 highlighted how GenAI accelerates the production pipeline from brainstorming to post-production. For example, one participant stated, "*It (GenAI) streamlines the entire production process, from brainstorming ideas to post-production, allowing creators like me to keep up with trends swiftly*." (Interview 2). This

sentiment was echoed by another who noted, "*Routine time-consuming tasks are automated by generative AI allowing creative professionals to focus on higher-value activities*" (Interview 6). Such streamlining not only shortens production timelines but also reduces costs, making the production process more efficient overall.

GenAI's efficiency extends into strategic realms, where it assists in analyzing vast amounts of data to provide actionable insights. Interviewees from Interview 4 and 10 pointed out the utility of GenAI in strategic decision-making. One interviewee mentioned, "*(Gen)AI can process and analyze massive amounts of data to provide insights that would take humans much longer to uncover*" (Interview 4). This capability is further supported by another participant who noted the potential for GenAI to transform backend processes such as content management and analytics, thereby saving significant time (Interview 10). The automation of data analysis and engagement tracking allows teams to make informed decisions more swiftly, contributing to overall operational efficiency.

Additionally, the potential for increasing production scale through generative AI was frequently mentioned. Interviewees from Interviews 1, 3, 9, 10, and 11 noted how GenAI facilitates scalability and enhances operational precision. One interviewee explained, "*It (GenAI) allows us to automate many aspects of content production, from drafting initial content to refining and personalizing it. This means we can produce high-quality content at a faster pace* […]" (Interview 3). Another interviewee succinctly stated, "*Integrating GenAI into content creation allows for scalable production and frees creative teams to focus on refining and innovating projects*" (Interview 11). This scalability is critical as it allows for the production of more content without a proportional increase in time and resources, thereby meeting the growing demands of the entertainment industry (Ahmed & Abdulkareem, 2023).

4.1.2. Challenges in Workflow Integration

The integration of GenAI within the entertainment industry presents significant challenges, particularly in workflow integration. One primary challenge is the complexity and resource-intensive nature of incorporating GenAI into existing systems. Interviewee 3 and Interviewee 4 highlighted the difficulties and resource demands, while Interviewee 6 noted the high cost of computational resources. Interviewee 8 also emphasized the extensive expertise required for successful integration.

Resistance to adopting GenAI technologies is another major hurdle. Two interviewees experienced this pain point in their professional experience. Interviewee 5 observed a general reluctance within organizations, linked to existing operational cultures and brand values. This resistance is compounded by educational and technical challenges, necessitating careful integration to avoid disrupting creative

processes. Interviewee 8 pointed out the significant learning curve, requiring ongoing training and expertise acquisition, a sentiment supported by Interviewee 9.

Data security and ethical concerns further complicate GenAI integration. Interviewee 7 stressed the importance of secure and ethical data handling, while Interviewee 6 highlighted the need to ensure the accuracy, unbiased nature, and security of training data.

The level of organizational support and skepticism also influences the integration process. Interviewee 6 mentioned varying levels of support within organizations, which can either facilitate or hinder integration efforts. Interviewee 7 pointed out that training teams and integrating GenAI into existing workflows require significant time and resources.

4.2. Maintaining Authenticity and Trust

4.2.1. Challenges in Authenticity

The integration of GenAI into the entertainment industry presents significant challenges, particularly concerning authenticity. This theme, "Challenges in Authenticity," encompasses various concerns articulated by interviewees, highlighting the difficulty of maintaining genuine human elements in AI-assisted content creation.

Several interviewees, including participants from Interview 1 and Interview 2, pointed out the difficulty in balancing GenAI integration with authentic storytelling. The reliability of GenAI tools, while generally positive, poses concerns when it comes to capturing and conveying subtle human emotions and cultural nuances (Interview 2). The struggle lies in ensuring that AI-enhanced content does not overshadow the genuine human touch essential for engaging storytelling (Interview 1). Interviewees from Interviews 2, 5, and 6 highlighted that AI currently falls short in capturing the nuanced understanding and emotional depth that human creators offer. This gap is particularly evident in areas such as humor and cultural relevance, which AI struggles to interpret and convey effectively (Interview 2, 5). The emotional disconnect in AI-generated content often results in outputs that feel hollow or less authentic, thereby reducing audience engagement (Interview 10).

A recurring concern among interviewees (Interviews 4, 5, and 9) is the potential of AI to overshadow human creativity. The risk of AI taking over creative processes could lead to a homogenization of content, lacking the personal touch that is crucial for audience trust and engagement (Interview 4, 5).

Interviewees emphasized the importance of hands-on personal involvement in content creation, stressing that AI should augment rather than replace human creativity (Interview 5).

4.2.2. Need for Human Oversight

A recurring theme across the interviews is the indispensable role of human oversight in the production of AI-generated content. Interviewees unanimously emphasized that while AI can significantly enhance content creation, its outputs often require meticulous human intervention to ensure they meet the desired quality and ethical standards. This is underscored by Interviewee 1, who highlighted "*It (GenAI) is a powerful tool, but it definitely needs supervision*" suggesting that without human intervention, AI outputs can lack the nuanced understanding and contextual relevance that are crucial in the entertainment industry. Interviewee 7 further elaborated on this point, noting that "[…] *AI-generated content can miss the mark, requiring human oversight and refinement*." This statement reflects a broader concern that, despite GenAI's capabilities, it often fails to grasp the subtleties and complexities inherent in creative processes. The necessity for human refinement ensures that the content not only aligns with artistic and narrative goals but also resonates with audiences on an emotional level.

The importance of maintaining high-quality standards was a significant concern among the interviewees. Interviewee 8 remarked that "[…] *(GenAI) often necessitates substantial manual post-processing and verification to reach an optimal output*" This insight reveals a critical dependency on human expertise to review and enhance AI outputs, ensuring they adhere to professional standards and audience expectations. Human oversight not only addresses potential inaccuracies but also enhances the creative expression embedded within the content, delivering a more authentic and engaging experience for the audience.

4.3. Content Generation and Enhancement

4.3.1. Enhancing Content Creation

The transformation driven by the integration of generative AI technologies can be seen in the enhancement of content creation processes, where AI's capabilities are leveraged to innovate and streamline traditional methods. The findings from the interviews reveal several key aspects of how generative AI is reshaping content creation.

Generative AI has emerged as a pivotal tool in transforming traditional content creation methods, including scriptwriting, music composition, and visual effects. Interviewee 11 highlighted that

"*GenAI assistance allowed our team to quickly generate several creative concepts and narratives*" emphasizing the efficiency brought about by these technologies. The application of generative AI extends beyond mere efficiency improvements. It also significantly enhances the quality and realism of digital content. Interviewee 8 discussed the role of AI in making digital twins[1] "*more photorealistic and interactive*" which is crucial for realistic digital reconstructions. Moreover, Interviewee 7 pointed out that "*as AI technology improves, the quality and reliability of AI-generated content will continue to rise*," indicating an ongoing evolution in the capabilities of generative AI.

Generative AI's ability to respond to trends and audience feedback in real time is another transformative aspect highlighted by the interviewees. Interviewee 6 emphasized that "*content is generated in real-time by AI quickly responding to trends and audience feedback*" which is crucial for maintaining relevance in a rapidly changing entertainment landscape. This capability allows content creators to be more agile and responsive, tailoring their outputs to meet current demands and preferences swiftly.

The integration of AI into content creation teams has also been identified as a significant trend. Interviewee 1 described AI as "*an integral team member for timely content creation*", underscoring the collaborative nature of modern content production where AI and human creators work in tandem.

4.3.2. New Creative Possibilities

The abovementioned integration has opened up an era of limitless creative opportunities, as articulated by various interviewees in this study. Interviewees emphasized the potential for future integration of AI with human creativity, highlighting a symbiotic relationship where AI augments rather than replaces human ingenuity. Interviewee 1 envisioned a future where AI and human creativity converge, suggesting that the true potential lies in their collaborative efforts. This perspective is echoed by Interviewee 5, who anticipated that generative AI (GenAI) will become increasingly sophisticated, ultimately blending seamlessly with human creative processes to enhance content creation. Interviewee 3 explicitly noted that generative AI has enabled creative avenues that were previously infeasible, a view supported by Interviewee 7, who mentioned AI's ability to bring a

[1] Digital twins are virtual replicas of physical objects, systems, or processes used to simulate, predict, and optimize their real-world counterparts through data collected from sensors and IoT devices.

level of creativity and efficiency that closely mimics human creativity. Interviewee 10 also affirmed this notion, underscoring the novel creative opportunities introduced by AI technologies.

A significant insight from the interviews is the role of generative AI in enhancing creativity by aiding artists and creators in generating new ideas and overcoming creative blocks. Interviewee 4 highlighted how AI assists in the ideation process, helping creators break through mental barriers and explore uncharted creative territories. This capacity of AI to serve as a catalyst for creativity is pivotal in the entertainment industry, where innovation is paramount. Looking ahead, there is a consensus that generative AI will assume more autonomous roles in idea and concept generation. Interviewee 9 pointed out the expectation that AI will increasingly take on these roles, necessitating careful integration to preserve the essence of human creativity. Interviewee 7 mentioned that AI's ability to generate content mimicking human creativity has led to the creation of novel forms of entertainment. Interviewee 12 expanded on this by expressing expectations that generative AI will evolve to better understand and generate human-like emotions and interactions, thereby enhancing various facets of entertainment.

Moreover, AI's impact is not confined to content creation alone; it also extends to personalization activities, which will be explained in the next aggregate dimension.

4.4. Audience Engagement and Personalization

In examining the impact of generative AI on the entertainment industry, the dimension of "Audience Engagement and Personalization" emerges as a pivotal area. This dimension encapsulates the transformative effects of AI in maintaining audience interest and customizing content to individual preferences. Our interviews reveal a multifaceted influence of generative AI, which can be broken down into two primary second-order themes: Enhancing Audience Engagement and Personalizing Content Delivery.

Generative AI plays a crucial role in maintaining constant engagement with audiences through the development and deployment of algorithmically optimized content. Interviewee 2 highlighted that AI tools not only optimize content to sustain audience interest but also add subtitles automatically, thus enhancing accessibility across language barriers. This functionality allows for broader audience reach and inclusivity, which are vital for maintaining high levels of engagement in a diverse global market.

Interviewee 4 emphasized that sophisticated algorithms developed through AI can suggest content based on viewer habits and preferences. These algorithms enhance engagement and retention by

continuously adapting and refining their recommendations based on user interactions. This adaptive capability is crucial for sustaining viewer interest over time, as it ensures that the content remains relevant and appealing to the audience.

Interactive content that adapts in real-time based on viewer input, as discussed by Interviewee 7, represents another significant advancement enabled by generative AI. This dynamic interaction not only keeps audiences engaged but also fosters a deeper level of participation and investment in the content.

The personalization of content delivery is another critical impact of Generative AI in the entertainment industry. Personalized ads and recommendations are noted by Interviewee 3 as key factors in achieving higher engagement and better revenue. GenAI-driven recommendation systems, as discussed by Interviewees 3 and 4, tailor suggestions for movies, TV shows, and music based on user preferences and habits. This level of personalization ensures that viewers receive content that is most relevant to them, thereby increasing satisfaction and retention.

Interviewee 6 highlighted the concept of hyper-personalization, where Generative AI enables the tailoring of content to individual user preferences at an unprecedented level. Large datasets are analyzed to improve the understanding of audience behavior, allowing for the delivery of experiences that are finely tuned to individual tastes. This hyper-personalization makes media consumption more tailored and immersive, as noted by Interviewee 9, significantly enhancing the viewer experience.

Furthermore, Interviewee 11 discussed how AI-driven recommendation algorithms enhance viewer satisfaction and retention by delivering highly personalized content. This level of personalization is critical in a competitive entertainment landscape, where retaining viewer interest is paramount.

4.5. Democratizing Creativity and Content Creation

This part of the analysis discusses the impact of Generative AI on the entertainment industry, focusing on the Technology Adoption Model (TAM) [see Literature Review Chapter 2.3.2.]. The model evaluates two primary constructs: Perceived Usefulness (PU) and Perceived Ease-of-Use (PEOU). The following tables present the answers to questions 8 and 9, as they bear upon the Research Question. Each table captures the interviewees' ratings on various statements, using a Likert scale from 1 (Strongly disagree) to 5 (Strongly agree).

	Likert Scale: *1 – Strongly disagree* *5 – Strongly agree*	Interviewee 1	Interviewee 2	Interviewee 3	Interviewee 4	Interviewee 5	Interviewee 6	Interviewee 7	Interviewee 8	Interviewee 9	Interviewee 10	Interviewee 11	Interviewee 12	**Average**
1	I find Generative AI easy to use.	4	5	4	3	3	4	4	4	4	3	4	4	**3.8**
2	Using Generative AI improves my productivity in content creation.	5	5	5	4	2	5	5	5	5	2	5	5	**4.4**
3	Generative AI in our projects is reliable for producing desired outcomes.	4	4	4	3	2	4	4	4	3	2	3	3	**3.3**
4	I have the resources necessary to use Generative AI effectively in my work.	3	4	4	4	3	4	4	3	4	3	4	4	**3.7**
5	Using Generative AI increases my job satisfaction.	4	4	5	4	1	4	4	5	4	2	4	4	**3.8**
6	I intend to increase my use of Generative AI in future projects.	4	5	5	5	2	5	5	5	5	2	5	4	**4.3**

Table 2: Summary Question 8

	Likert Scale: *1 – Strongly disagree* *5 – Strongly agree*	Interviewee 1	Interviewee 2	Interviewee 3	Interviewee 4	Interviewee 5	Interviewee 6	Interviewee 7	Interviewee 8	Interviewee 9	Interviewee 10	Interviewee 11	Interviewee 12	**Average**
1	I feel confident in my ability to use Generative AI technologies.	4	5	4	4	3	4	4	4	4	3	5	4	**4.0**
2	The benefits of Generative AI outweigh the complexities of using it.	4	4	5	4	2	5	5	5	5	2	4	5	**4.2**
3	My peers support the use of Generative AI in our projects.	3	3	5	4	2	4	4	5	4	2	4	4	**3.7**
4	Senior management supports the use of Generative AI in our operations.	5	N/A	5	5	2	5	5	5	5	2	5	5	**4.5**

Table 3: Summary Question 9

Perceived Usefulness (PU)

PU is assessed through statements regarding productivity, reliability, and job satisfaction. The majority of respondents rated the improvement in productivity highly, with most giving scores of 4

or 5. This indicates a strong belief that Generative AI significantly enhances content creation efficiency. The average score for productivity improvement was 4.4, highlighting the substantial positive impact on workflow efficiency.

Reliability, however, received more varied responses, with scores ranging from 2 to 4. While generally perceived as reliable, some respondents noted occasional issues requiring manual intervention. The average reliability score was 3.3, indicating that while Generative AI is largely dependable, there is room for improvement in consistency.

Job satisfaction also garnered high scores, predominantly 4s and 5s, reflecting the positive impact of Generative AI on the work environment. The average score was 3.83, suggesting that Generative AI contributes significantly to job enjoyment by alleviating mundane tasks and enabling more creative work.

The intention to increase the use of Generative AI in future projects was consistently high, with an average score of 4.33. This underscores the recognized potential and eagerness to further integrate AI technologies into professional workflows.

Perceived Ease-of-Use (PEOU)

PEOU measures the perceived effort required to use Generative AI. Most respondents expressed high confidence in their ability to use these technologies, with scores predominantly at 4 or 5. The average confidence score was 4.17, indicating a strong belief in their competence to effectively utilize Generative AI tools.

The perception that the benefits of Generative AI outweigh its complexities was also high, with the majority of respondents giving scores of 4 or 5. The average score of 4.42 reflects a favorable cost-benefit analysis, suggesting that despite the challenges, the advantages of using Generative AI are seen as significantly greater.

In the detailed interviews, several trends emerged. Respondents like those in Interviews 1, 2, 3, and 6 consistently rated productivity improvements and job satisfaction high, affirming the positive impact of Generative AI on their work. These respondents also felt confident in their ability to use AI technologies and believed that the benefits outweighed the complexities, supporting the TAM framework's predictions.

Conversely, respondents in Interviews 5 and 10 expressed lower perceived usefulness and ease of use. They rated productivity improvements and job satisfaction lower, indicating that Generative AI did not align well with their specific work needs. These respondents also showed moderate confidence in using AI technologies and were less convinced that the benefits outweigh the complexities.

In conclusion, the Technology Adoption Model (TAM) indicates that Generative AI is well accepted and perceived as useful in the entertainment industry. Respondents find it easy to use (average score: 3.8) and beneficial for productivity (average score: 4.4). It also enhances job satisfaction (average score: 3.83) and is expected to be increasingly utilized in future projects. Despite some concerns about reliability, the overall benefits are seen as outweighing the challenges, highlighting the positive impact of Generative AI on creativity and content creation.

5. Discussion

5.1. Answer to the Research Questions

The Research Question of this dissertation is: "*How is Generative AI influencing content creation within the entertainment industry?*" This section addresses this question by synthesizing findings from the analysis of qualitative interviews and existing literature, offering a comprehensive understanding of the multifaceted impact of Generative AI on content creation.

Generative AI is profoundly reshaping content creation in the entertainment industry by enhancing efficiency, fostering creativity, and democratizing the production process. Its influence can be observed in various stages of content creation, from ideation and development to production and post-production. First, Generative AI significantly streamlines the content creation process. Tasks that traditionally required substantial human effort, such as scriptwriting, storyboarding, and video editing, can now be partially or fully automated. GenAI tools can generate initial drafts of scripts, create visual storyboards from textual descriptions, and automate post-production processes like color grading and sound editing. This automation reduces production time and costs, allowing creative professionals to focus on higher-value activities and strategic decision-making.

Second, Generative AI aids in overcoming creative blocks and generating new ideas, thereby enhancing the creative process. AI-powered tools can assist writers and artists in brainstorming sessions, suggesting plot twists, character developments, and visual styles that they might not have considered otherwise. This collaborative dynamic between human creativity and AI-generated suggestions fosters innovation and expands the creative possibilities within the entertainment industry.

Third, Generative AI enables the creation of personalized content tailored to individual viewer preferences. AI algorithms analyze viewer data to understand preferences and viewing habits, thereby generating recommendations and even creating content that aligns with specific tastes. This personalization not only enhances audience engagement but also increases viewer satisfaction and retention, which are critical metrics in the competitive entertainment landscape.

Fourth, one of the most transformative impacts of Generative AI is its ability to democratize content creation. GenAI tools lower the barriers to entry by reducing the need for extensive technical skills and large production budgets. Independent creators and small studios can now produce high-quality

content that rivals that of established industry players. This democratization leads to a more diverse range of voices and perspectives in the content available to audiences.

Chapter 2.3. of the thesis explores the management theory of disruption, particularly Christensen's theory of disruptive innovation, which states that smaller companies with fewer resources can challenge and eventually displace established incumbents by targeting overlooked market segments with innovative products (see Chapter 2.3.). While this theory has been influential in understanding technological and market disruptions, it requires reconsideration in the context of Generative AI and the entertainment industry.

Unlike the traditional disruption model where incumbents are slow to adopt new technologies, leading entertainment companies are actively investing in and integrating Generative AI into their operations. For Instance, companies like Netflix, Disney, and Warner Bros. are at the forefront of AI innovation, using these technologies to enhance content creation and distribution (Dataforest, 2024) (Vina, 2024). This proactive approach contradicts the notion that incumbents will be displaced by smaller, more agile companies.

Moreover, the entertainment industry is witnessing a trend of collaboration between traditional studios and AI startups (Flint, 2024). Rather than being disrupted, many established companies are forming partnerships with AI firms to integrate advanced technologies into their workflows. This symbiotic relationship benefits both parties and accelerates the adoption of GenAI innovations across the industry. Generative AI can be seen as a sustaining innovation that enhances the capabilities of existing players rather than a disruptive force that reverses the market. The improvements brought by GenAI support the current business models and competitive strategies of current leading entertainment companies. This alignment with sustaining innovations challenges the disruptive innovation model proposed by Christensen.

Generative AI is also expanding the overall entertainment market rather than merely redistributing market share. By lowering the barriers to entry and enabling a broader range of creators, AI contributes to a more diverse content ecosystem. This expansion creates new opportunities for both incumbents and newcomers, fostering an environment of growth rather than displacement.

5.2. Discussion of Future Scenarios

The future of generative AI in the entertainment industry presents a spectrum of possible scenarios shaped by the evolving technological landscape, consumer acceptance, and regulatory environments. Drawing from the analysis and opinion of industry experts, several key scenarios can be foreseen:

5.2.1. Pervasive Integration with Consumer Acceptance

One potential scenario is the widespread integration of Generative AI into all facets of entertainment production, from initial concept development to post-production, driven by consumer acceptance. As tools and technologies improve, they could produce highly sophisticated and realistic synthetic representations of characters, settings, and voices. The continuous enhancement of GenAI capabilities suggests a trajectory toward more pervasive use in creating both front-facing and backend content.

In this scenario, Generative AI would not just augment but fundamentally transform traditional filmmaking processes. Cost structures within the industry could shift dramatically, as computational expenses replace many labor costs. AI-driven automation of labor-intensive tasks would lead to increased efficiency and potentially lower production costs.

5.2.2. Consumer Resistance and Selective Adoption

A contrasting scenario involves significant consumer resistance to AI-generated content, particularly in aspects directly impacting the viewer experience, such as synthetic human portrayals. The "uncanny valley" effect[2]—where near-human but not perfectly human-like appearances cause discomfort—could lead to consumer rejection of AI-generated characters and narratives at a certain threshold. This scenario is analogous to movements against genetically modified organisms in food, where perceptions of inauthenticity drive rejection (Marques, Critchley, & Walshe, 2014).

Despite resistance in consumer-facing applications, AI could see widespread adoption in backend processes that do not directly impact the viewer's perception of authenticity. AI could still play a substantial role in enhancing production efficiency, content management, and other non-visible aspects of production. This selective adoption could prevent a full-scale transformation but still significantly influence industry practices and cost structures.

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[2] The term “uncanny valley”, introducted by roboticist Masahiro Mori, is a phenomenon where humanoid objects that closely resemble humans but have slight differences cause discomfort or unease in observers (Mori, 1970).

5.2.3. Hybrid Models and Human-AI Collaboration

Another plausible scenario is the development of hybrid models where human creativity and AI capabilities are seamlessly integrated. In this model, AI would serve as a tool to enhance human creativity rather than replace it. Human oversight and input would remain crucial in guiding AI processes, ensuring that the outputs retain the necessary cultural and emotional nuances that purely AI-generated content might lack.

This collaborative approach would mitigate some of the concerns associated with the uncanny valley and the loss of authenticity, as humans would continuously refine and guide AI outputs. This model supports the idea that while AI can significantly aid in content creation, human judgment and creativity remain irreplaceable.

5.2.4. Regulatory and Ethical Constraints

A fourth scenario considers the impact of regulatory and ethical constraints on the adoption of generative AI. As AI technologies become more prevalent, there will likely be increased scrutiny and regulation concerning their use, particularly in creative industries. Issues related to intellectual property, copyright, and the ethical implications of AI-generated content will necessitate comprehensive frameworks to govern the use of these technologies.

Regulatory measures could shape the extent and manner of AI integration, potentially slowing down its adoption or imposing standards that ensure ethical use and protect human creators. These constraints could promote a more balanced and responsible integration of AI and GenAI, emphasizing transparency, accountability, and respect for human creativity.

6. Conclusion

6.1. General Conclusion

The integration of Generative AI in the entertainment industry marks a significant shift in content creation, enhancing efficiency, creativity, and personalization. This thesis has examined how GenAI automates tasks such as scriptwriting, storyboarding, and video editing, thereby reducing production time and costs. This automation allows creative professionals to focus on more strategic and innovative activities.

GenAI fosters creativity by assisting in brainstorming and generating new ideas, thus expanding creative possibilities. It also democratizes content creation by lowering barriers to entry, enabling independent creators and small studios to produce high-quality content, leading to a more diverse and inclusive entertainment landscape.

Personalization is another crucial benefit of GenAI, as AI algorithms analyze viewer data to tailor content to individual preferences, enhancing audience engagement and satisfaction. This capability ensures that content remains relevant and appealing to viewers, fostering loyalty and repeat viewership.

Despite these benefits, the integration of GenAI presents challenges, such as maintaining authenticity and trust in AI-generated content. Human oversight remains essential to ensure that AI outputs are emotionally resonant and meet quality standards. Additionally, there are concerns about the displacement of human jobs and ethical implications, which necessitate careful integration and upskilling of the workforce to work alongside AI tools.

In conclusion, Generative AI profoundly impacts the entertainment industry by enhancing operational efficiency, fostering creativity, democratizing content creation, and personalizing audience engagement. However, addressing authenticity, ethical concerns, and ensuring AI complements human creativity are critical for its successful integration. Ongoing research and collaboration between AI and human creators will be essential to fully harness the potential of GenAI.

6.2. Managerial implications

The integration of GenAI into the entertainment industry carries significant managerial implications, impacting strategic planning, operational efficiency, and workforce development. Managers in the entertainment industry must adopt a forward-thinking approach to leverage the opportunities

presented by GenAI. This includes integrating GenAI tools into the creative process to enhance efficiency and productivity. As identified in the thesis, GenAI can automate routine, time-consuming tasks, allowing creative professionals to focus on higher-value activities. This automation not only streamlines workflows but also reduces production timelines and costs, providing a competitive edge in the fast-paced entertainment market.

Additionally, the capability of GenAI to analyze vast amounts of data for strategic decision-making can significantly enhance operational efficiency. Managers can utilize AI-driven insights to optimize content creation and distribution strategies, aligning them with current market trends and consumer preferences. The scalability offered by GenAI enables the production of high-quality content at a faster pace, meeting the growing demands of the entertainment industry without a proportional increase in resources.

The evolution of GenAI tools presents an opportunity for upskilling and reskilling within the entertainment workforce. Managers must adopt a culture of lifelong learning and adaptability, ensuring that their teams are equipped with the necessary skills to thrive in an AI-augmented landscape. Training programs should be developed to enhance employees' proficiency with GenAI technologies, promoting collaboration between human creativity and AI capabilities.

Human oversight remains crucial in the production of AI-generated content to maintain quality and authenticity. Managers must ensure that creative teams are involved in refining GenAI outputs, addressing potential inaccuracies, and enhancing the creative expression embedded within the content.

6.3. Future Research & Limitations

This research provides novel and valuable insights into the impact of Generative AI on content creation within the entertainment industry. Nonetheless, it is essential to acknowledge the limitations and identify recommendations for future research.

Firstly, it is important to note that the subject matter of this dissertation revolves around a relatively new and rapidly evolving field. The study conducted provides a momentary snapshot of the current state and advancements of the landscape. However, given the dynamic nature of AI technology, the applicability of the study’s findings may diminish over time. Therefore, it is recommended that scholars remain attuned to the advancements in order to adapt to the evolving impacts of Generative AI in the entertainment sector.

Additionally, this research is based primarily on the experiences of a sample of experts in the area of AI and content creation within the entertainment industry. While this approach has yielded valuable insights into present and future trends of AI integration, it might not encompass the perspectives of all stakeholders involved. The findings may also be influenced by the specific context in which the interviews were conducted, limiting the generalizability of the results to other settings. Future research could enhance its comprehensiveness by exploring these diverse viewpoints, offering a more holistic understanding of AI's role in the entertainment sector. This could include perspectives from various segments such as independent creators, consumers, and regulatory bodies.

The findings obtained rely solely on a qualitative approach, specifically semi-structured interviews and textual analysis of the collected data. Qualitative interviews allow for a deep exploration of the nascent topic of GenAI through expert perspectives. However, the study would benefit from the complement of quantitative research, such as surveys and experiments, to quantify the impact of AI in the entertainment sector. Quantitative data could provide statistical validation and broader generalizability of the insights gathered through qualitative methods.

Furthermore, incorporating the perspectives of end-users and consumers would offer a more holistic view of GenAI's impact. Exploring how audiences perceive and interact with AI-driven content could contribute invaluable insights that inform the enhancement of GenAI systems and facilitate the development of consumer-centric strategies, ensuring the alignment of GenAI advancements with user needs and preferences.

7.

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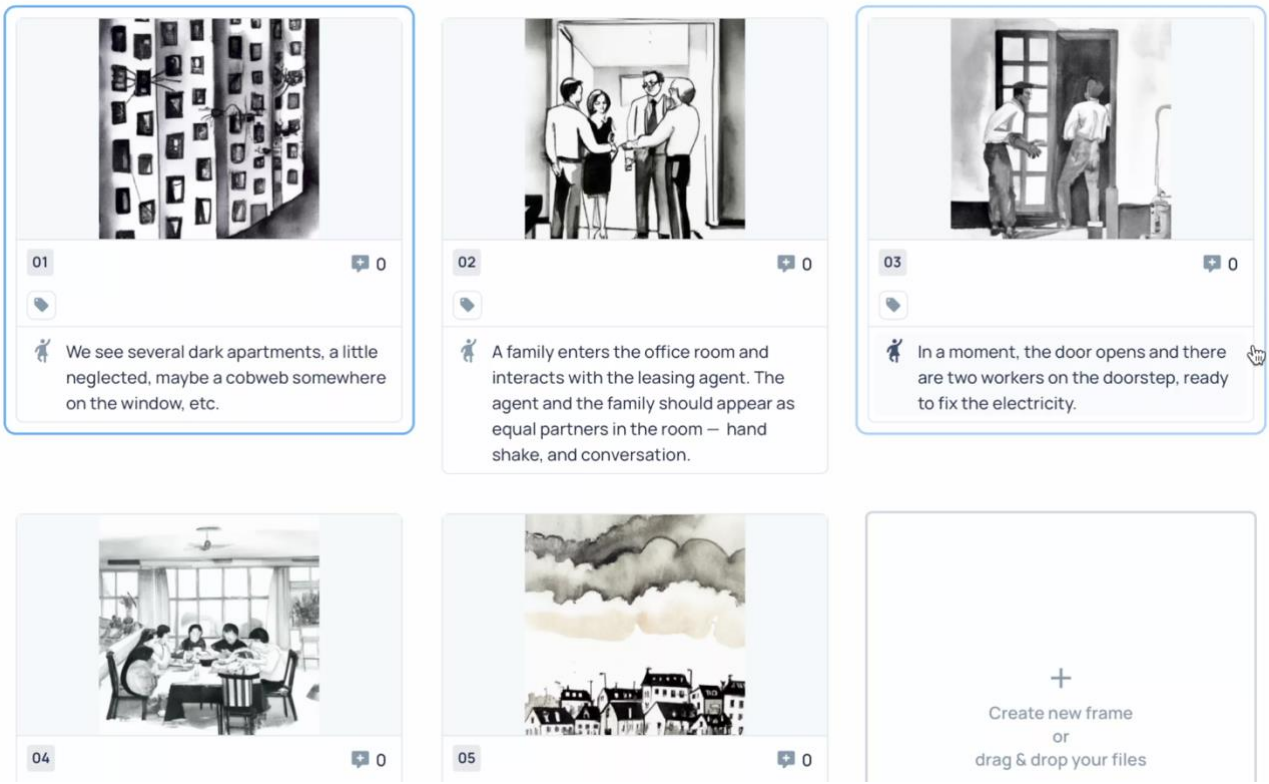
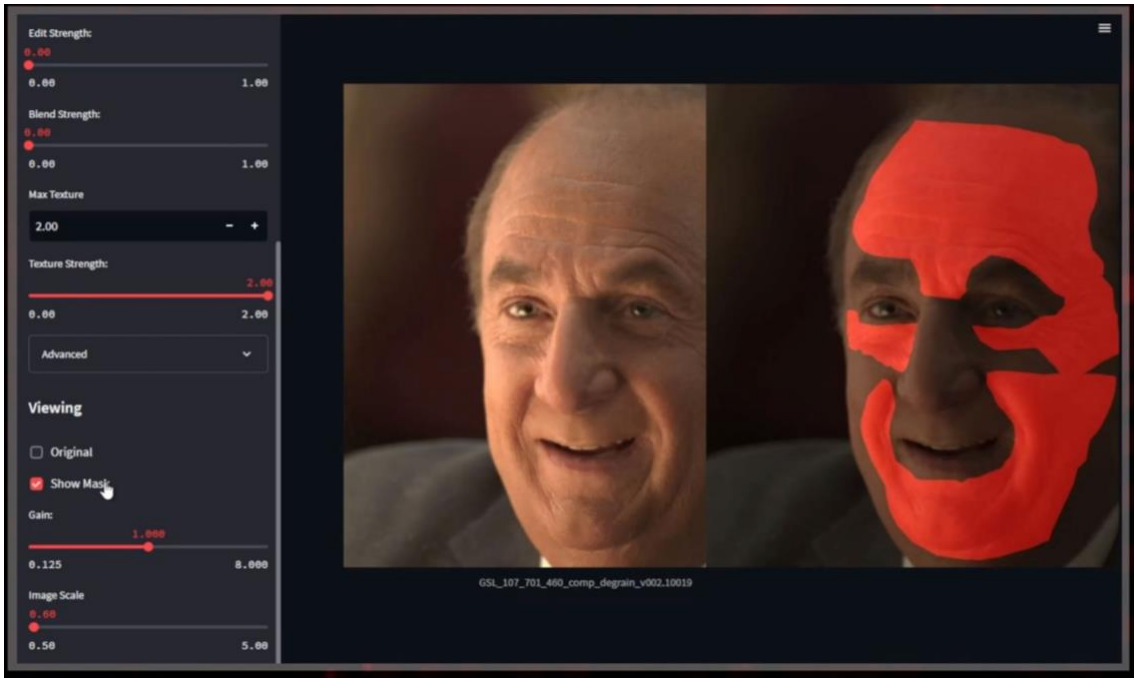
8. Apprendices

Appendix A – Krock.io AI Storyboard Generator



Appendix B – MARZ Vanity AI



Vanity Ai interface

Appendix C – Interview script

Thank you for agreeing to participate in this interview. We're conducting this as part of a study exploring the influence of Generative AI on the entertainment industry. The interview will be recorded, and your responses will be anonymized to protect your confidentiality. Your insights are invaluable for understanding the industry's evolving landscape.

Interview Script

RQ: How is Generative AI influencing content creation within the entertainment industry?

Background and role

Question 1: Could you please introduce yourself, your background, and your current job?

Overview of Generative AI in Entertainment

Question 2: From your perspective, what are the impacts of Generative AI on the entertainment industry today?

Question 3: Can you describe any specific projects or initiatives where you used Generative AI?

Validation of Literature Review

Question 4: Could you identify the main areas of improvement where Generative AI could significantly enhance your work?

Question 5: What limitations are you currently observing with the use of Generative AI in your projects or operations? Are these affecting your work?

Research question deep dive

Question 6: How is Generative AI influencing content creation within your organization or the projects you are working on?

Question 7: What do you see as the key benefits and drawbacks of integrating Generative AI in content creation processes?

Question 8: On a scale of 1 to 5, where 1 is strongly disagree and 5 is strongly agree, how would you rate the following statements regarding your acceptance of Generative AI technologies in your professional environment?

- **8a.** "I find Generative AI easy to use."
- **8b.** "Using Generative AI improves my productivity in content creation."
- **8c.** "Generative AI in our projects is reliable for producing desired outcomes."
- **8d.** "I have the resources necessary to use Generative AI effectively in my work."
- **8e.** "Using Generative AI increases my job satisfaction."
- **8f.** "I intend to increase my use of Generative AI in future projects."

Question 9: Considering the potential of Generative AI, to what extent do you agree or disagree with the following statements? (1 strongly disagree to 5 strongly agree)

- **9a.** "I feel confident in my ability to use Generative AI technologies."
- **9b.** "The benefits of Generative AI outweigh the complexities of using it."
- **9c.** "My peers support the use of Generative AI in our projects."
- **9d.** "Senior management supports the use of Generative AI in our operations."

Future Projections

Question 10: "Looking ahead, how do you expect Generative AI to evolve in the entertainment sector over the next five to ten years?"

Question 11: What challenges does the entertainment industry face in adopting Generative AI technologies?"

Appendix D – Gioia's Methodology Analysis