MarshMcLennan

AI in the media

High hopes, uneven gains, unanswered questions

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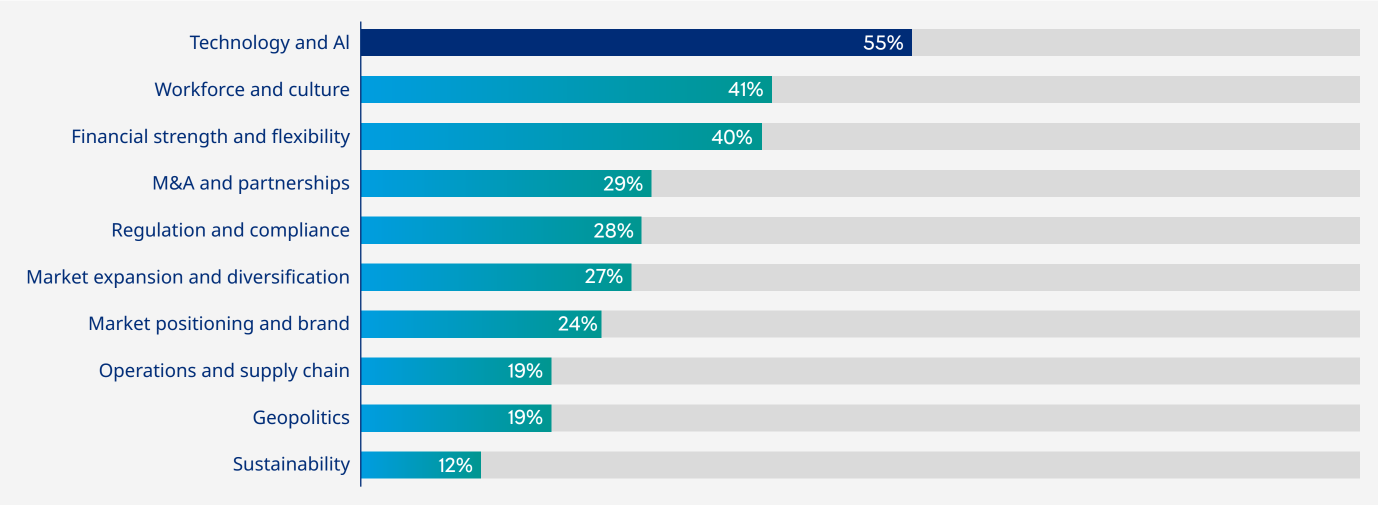
Artificial intelligence (AI) has evolved from an idea to an operational tool. Across newsrooms, studios, and advertising technology, machine learning and generative models are transforming how work is done, how audiences discover content, and how money is allocated. Our research reveals a striking ambiguity: executives expect large gains from AI, yet many firms have not seen the financial payback they anticipated. Over the next two years, strategic choices will likely determine which companies capture value and which simply keep the lights on[1].

[1] This article draws on our proprietary research and analysis of UK media executives (60 in October 2025) as well as other research from Oliver Wyman and was presented at our second MMC media conference in November.

Context and contours

Figure 1. The main forces affecting competitiveness over the next 5-10 years

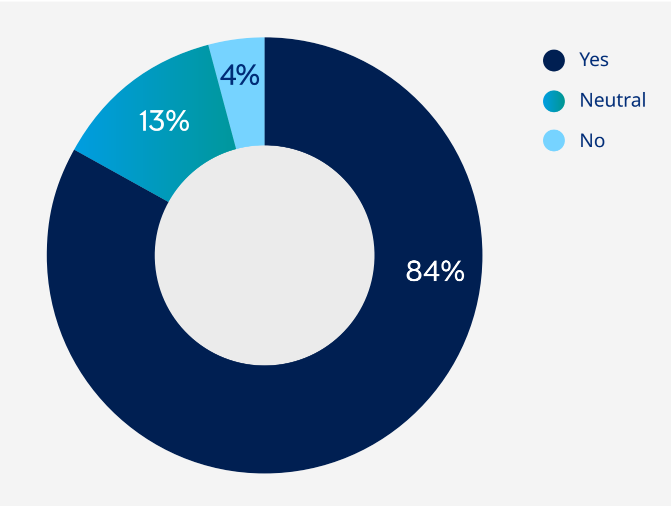


Source: Oliver Wyman Forum European CEO Survey 2025, Oliver Wyman Forum x NYSE CEO Survey 2025

In five years, AI has become mainstream: deployment among media companies has roughly doubled since 2020. That rise in adoption has been matched by a bullish strategic posture: senior leaders now rank technology and AI among the top forces shaping competitiveness over the next five to ten years.

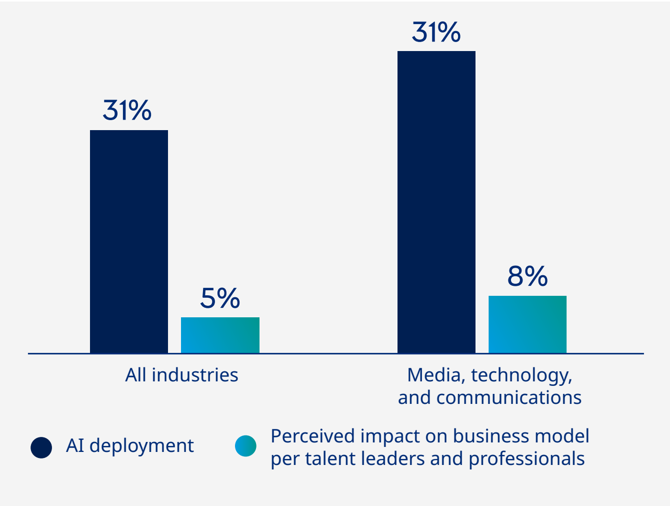
Our research in the UK revealed that 84% of survey respondents believed AI would impact their business. Mercer's Global Talent Trends report, however, finds a gap: 42% of media organisations report deploying AI, yet only 8% of talent leaders say it has changed their business model. The result is a market in which enthusiasm coexists with scepticism.

Figure 2. Will AI impact your business?



Source: MMC Media Forum Survey

Figure 3. Mercer Global Talent Trends 2025

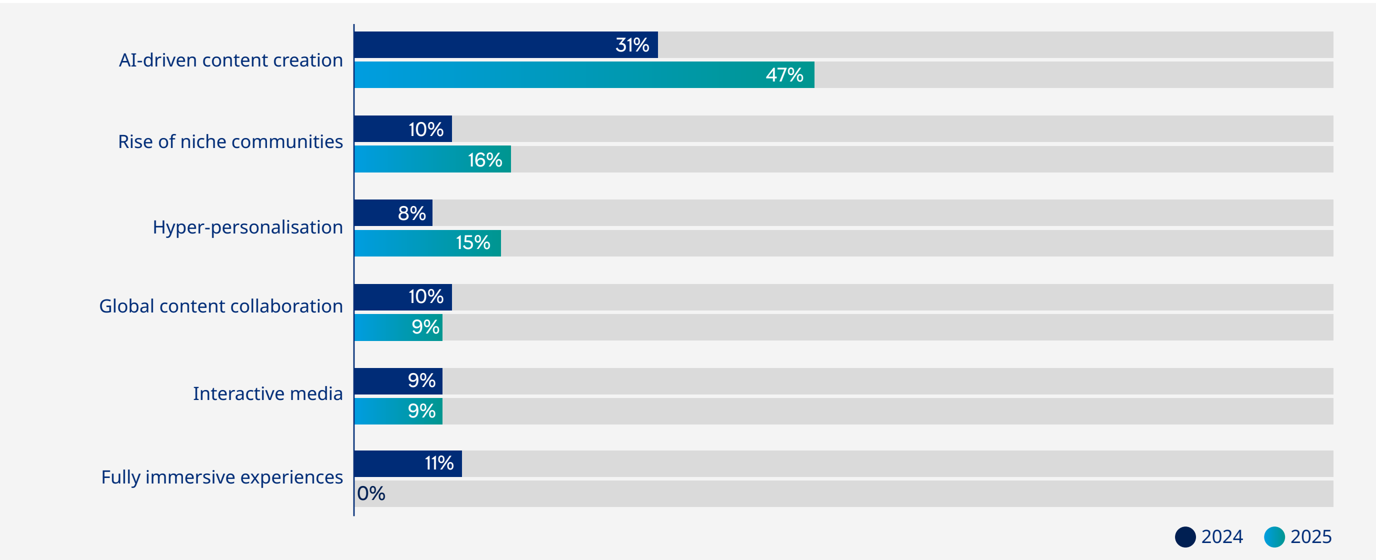


Source: Mercer Global Talent Trends 2024-2025

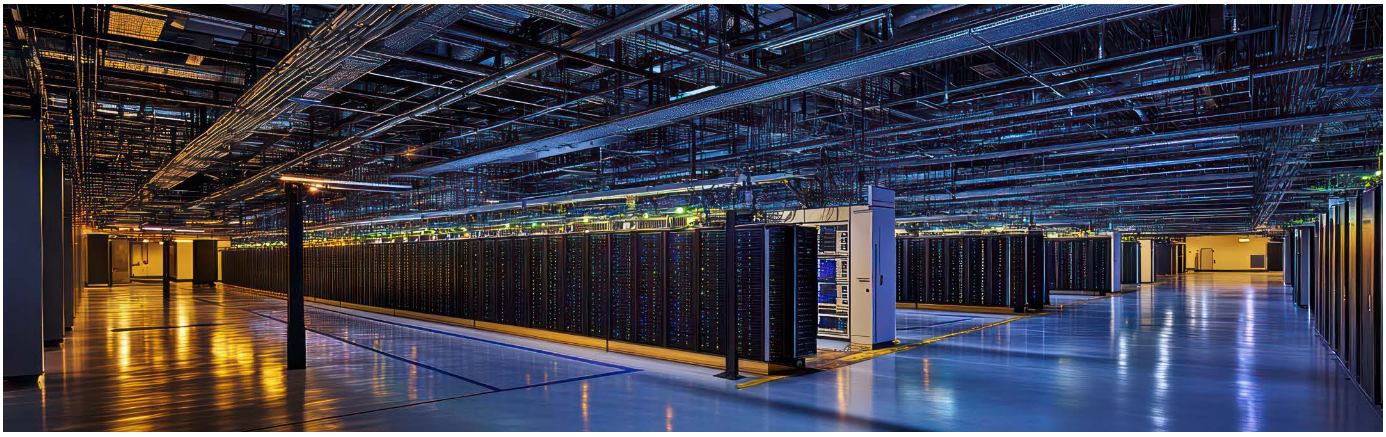
Why expectations are high

Executives and investors are generally drawn to AI for two key reasons: reducing unit costs and unlocking new revenue opportunities. Automation and generative tools streamline tasks such as transcription, editing, and routine copywriting, leading to significant cost savings — estimated at 15% to 24% in some workflows. Similarly, the potential to generate new or improved revenue streams through hyper-personalisation and niche community building is frequently highlighted by executives. These strategic product directions offer ways to increase engagement and enable companies to monetise differentiated experiences.

Figure 4. What scenarios do you believe will most shape your sector over the next ten years?



Source: Oliver Wyman Forum European CEO Survey 2025, Oliver Wyman Forum x NYSE CEO Survey 2025



Why outcomes remain uncertain

The gap between AI's promise and its actual payoff is largely operational, with three recurring execution challenges:

1. **Measurement is immature:** Organisations often lack a concise set of repeatable KPIs linked to revenue, margin, or retention.

2. **Returns timing is ambiguous:** AI investments require upfront spending on infrastructure and experimentation, yet investors seek clarity on timelines for when these investments will generate consistent free cash flow.

3. **Business models are changing:** AI-driven discovery and summarisation can alter referral patterns, potentially disrupting traditional pageview-based revenue models.

In essence, the key concerns are not just whether AI works (it often does), but whether business models and the metrics used to evaluate success have evolved in step with these changes.

How AI is reshaping the value chain

The following examples illustrate common ways AI creates or disrupts value, though the list is not exhaustive:

- **Production:** AI accelerates and automates many stages of content creation. For instance, it can reduce time spent on on-set production and lower costs in budget-heavy line items. This shift results in a cost structure that is more variable and scalable, rather than fixed.

- **Advertising:** Advertisers and media owners are using AI to optimise spending and personalise creative content. In collaboration with IAB UK, our survey of UK media players revealed that AI enables advertisers to build audiences more effectively, reducing friction and improving targeting compared to legacy platforms. It also boosts internal efficiency, such as cutting audio campaignlaunch times to as little as 24 hours.

- **Distribution:** The rise of AI-generated summaries and assistant driven answers is reconfiguring where attention lands. For publishers that rely on referral traffic for advertising or subscriber acquisition, this shift presents an immediate business risk.

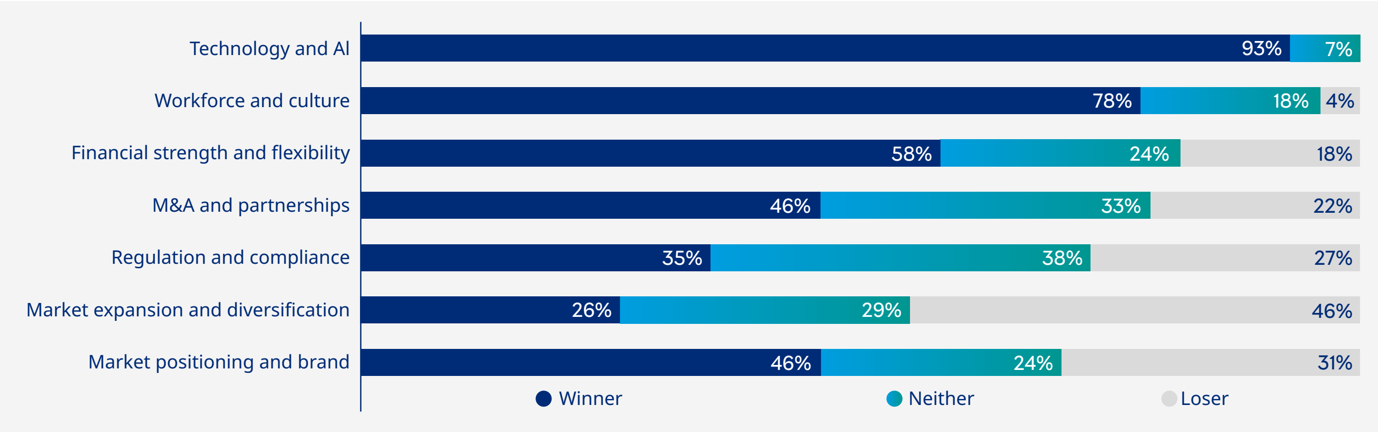
- **Product:** AI-powered product enhancements open new avenues for higher monetisation per user but require investment. Examples include providing subject matter experts with automation tools to create advertising copy or improving recommendation engines to deepen consumer engagement.

Uneven gains

Our research clearly shows that AI acts as an amplifier of existing differences. The organisations most likely to capture disproportionate value share three traits: scale, ownership of first-party data, and control over distribution.

Survey responses about likely winners and losers are revealing. Digital first publishers, platforms, and technology providers are consistently identified as probable winners, while traditional broadcasters and certain legacy intermediaries are seen as the most vulnerable.

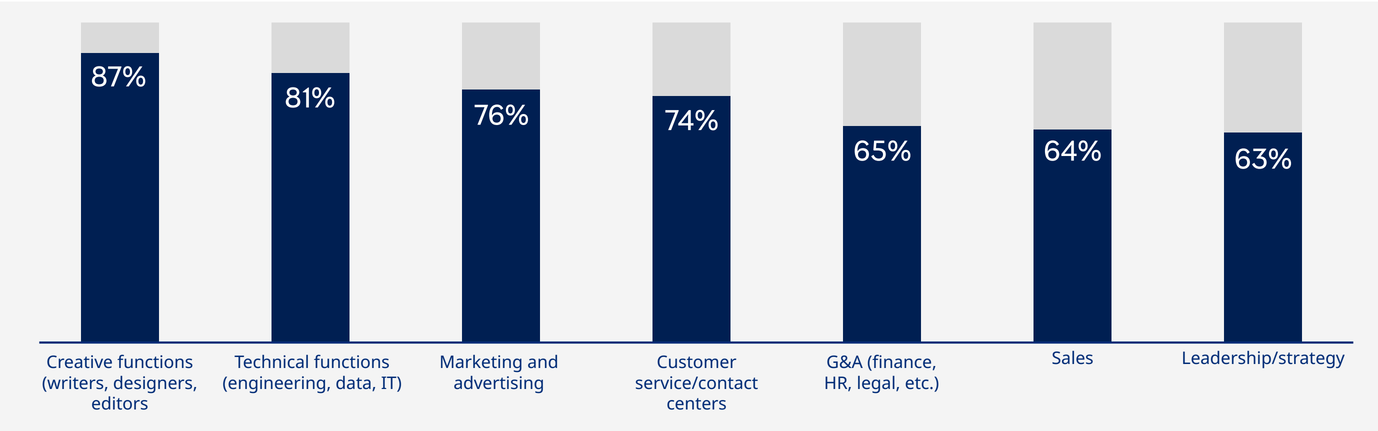
Figure 5. Who are the likely winners and losers with AI?



Source: Oliver Wyman US study of C-suite media executives

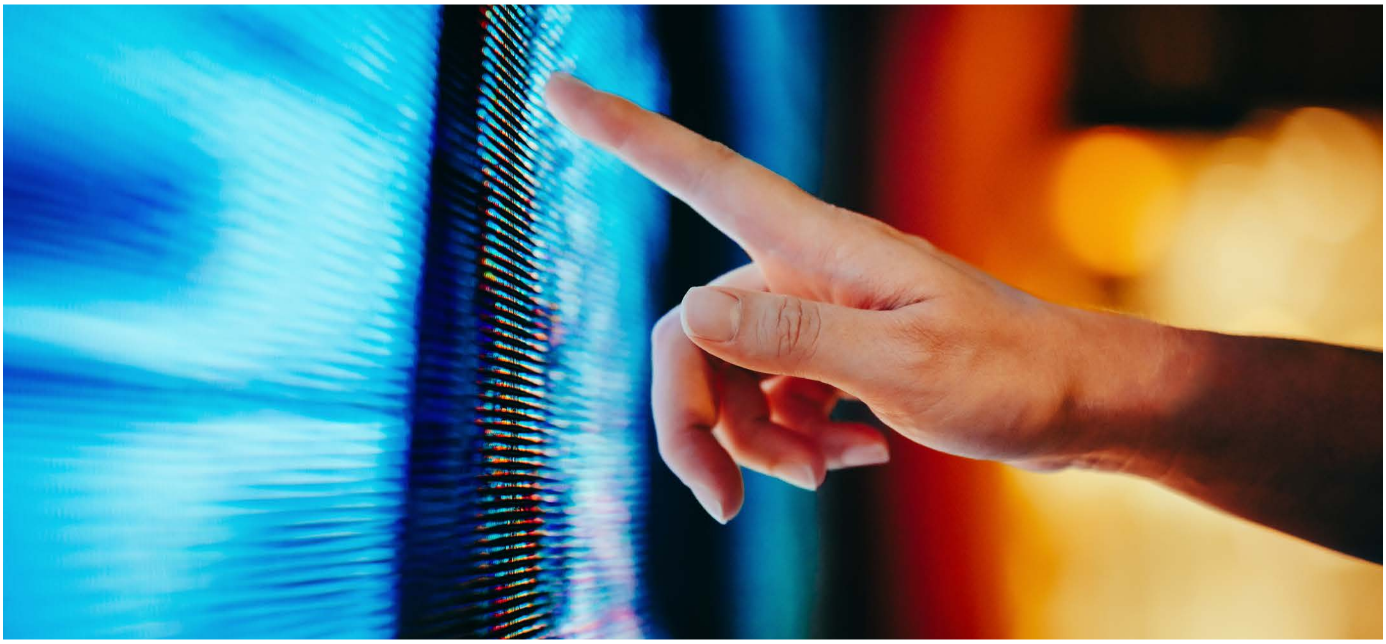
Similarly, research done by Oliver Wyman in the US suggests that within a company, the impact will not be equal.

Figure 6. Which functions across the media value chain do you think will be impacted by AI?



Source: Oliver Wyman US study of C-suite media executives

There is a final reality: executives simply do not know. Our research of C-suite executives run by the Oliver Wyman Forum highlights that 55% of executives simply do not know or believe it is too early to opine on AI.



Three scenarios to plan for

The industry faces three plausible paths, each requiring different managerial priorities:

1. **Best case: AI becomes a durable augmenter.** Efficiency gains scale broadly, product innovation drives higher revenue per user, and well-defined KPIs reassure investors that infrastructure investments generate sustainable cash flow.

2. **Base case: AI delivers efficiency improvements and selective product wins, but the greatest value accrues to large-scale players and platforms.** Media companies capture incremental benefits but face margin pressure from increased competition.

3. **Downside: Infrastructure investments fall short, measurement challenges persist, and shifts in distribution erode revenues.** In this scenario, firms without a clear AI strategy or measurable pilot programmes may find themselves at a competitive disadvantage.

A potential playbook

For senior leaders seeking to leverage AI into sustainable value, Marsh McLennan's research identifies five immediate priorities:

1. **Develop an AI strategy.** Our findings show fewer than 50% of organisations have a defined AI strategy. Establishing one is essential to clarify priorities and align client messaging.

2. **Define a focused KPI set.** Link every AI initiative to specific revenue, cost, or retention metrics and track them consistently.

3. **Prioritise cash-linked pilots.** Focus early scaling efforts on use cases with clear financial impact, such as production automation, personalisation to increase average revenue per user (ARPU), or ad yield optimisation with measurable CPM gains.

4. **Protect or partner around data and distribution.** Treat first-party data assets as strategic resources or secure partnerships that provide valuable audience insights.

5. **Reconfigure workforce strategy.** Reskill and redeploy roles most affected by automation, particularly in creative and technical functions, and invest in new talent where needed.

Conclusion

Our research documents a sector at an inflexion point: adoption of AI is high, and ambition is even greater. However, important structural and operational challenges remain. AI will not serve as a magic solution to save declining business models; rather it will amplify existing strengths and expose weaknesses. Media firms that recognize the uneven nature of AI gains, insist on measurable outcomes, and commit to protecting or partnering around key assets will be best placed to prosper. Those who treat AI as a buzzword, rather than a disciplined set of initiatives with clear KPIs and product experiments, risk watching others reap the rewards.

About Marsh McLennan

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