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AI Entertainment

New Touchpoints for Brands to Explore and Exploit

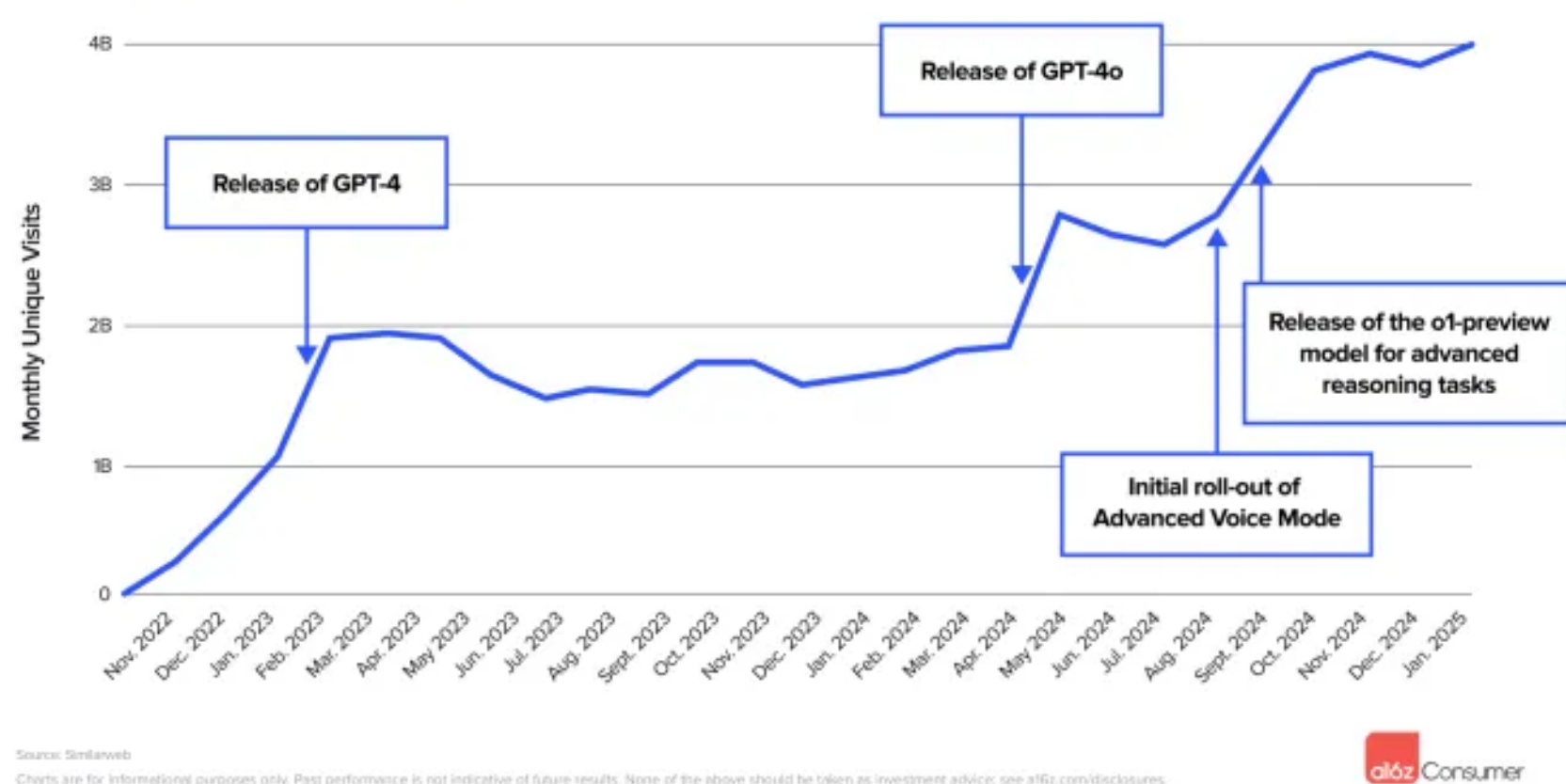
Updated: August 15th 2025

WE *Create* WHAT'S NEXT

Costs Fall as Capabilities Rise

With last week's release of GPT-5, OpenAI is making a big bet on mass consumer adoption. The company has released a frontier model with performance defined to deliver access to 800 million people across all pricing tiers, including free. OpenAI also announced this week "[Chat GPT-Go](#)", a USD 5 plan in developing markets.

Over the past two years, each new wave of capability has resulted in a [significant jump](#) in monthly users, so we can expect ChatGPT to reach a billion users in the next few months.



The market was surprised by the low [GPT-5 API](#) costs, now at USD 1.25 per million input tokens and USD 10 per million output tokens. This lowers the cost of delivering solutions and experiences. When considered alongside the [enhanced multimodal capabilities of GPT-5](#), previously impossible or uneconomic modes of use become viable.

One such area is entertainment, which is inherently bandwidth/token heavy. AI has already had a huge impact on the entertainment sector through AI-based curation, a trend that has been happening globally for several years.

- [70% of the videos watched on YouTube](#), by 2.7 billion people per month, are driven by AI recommendations.
- For over a year now, [more than half of all content](#) viewed on Instagram, by 2 billion people, is AI-recommended.

This week, Google launched a service allowing consumers [to pick top sources for news or search](#) results, focusing the algorithm on trusted sources.

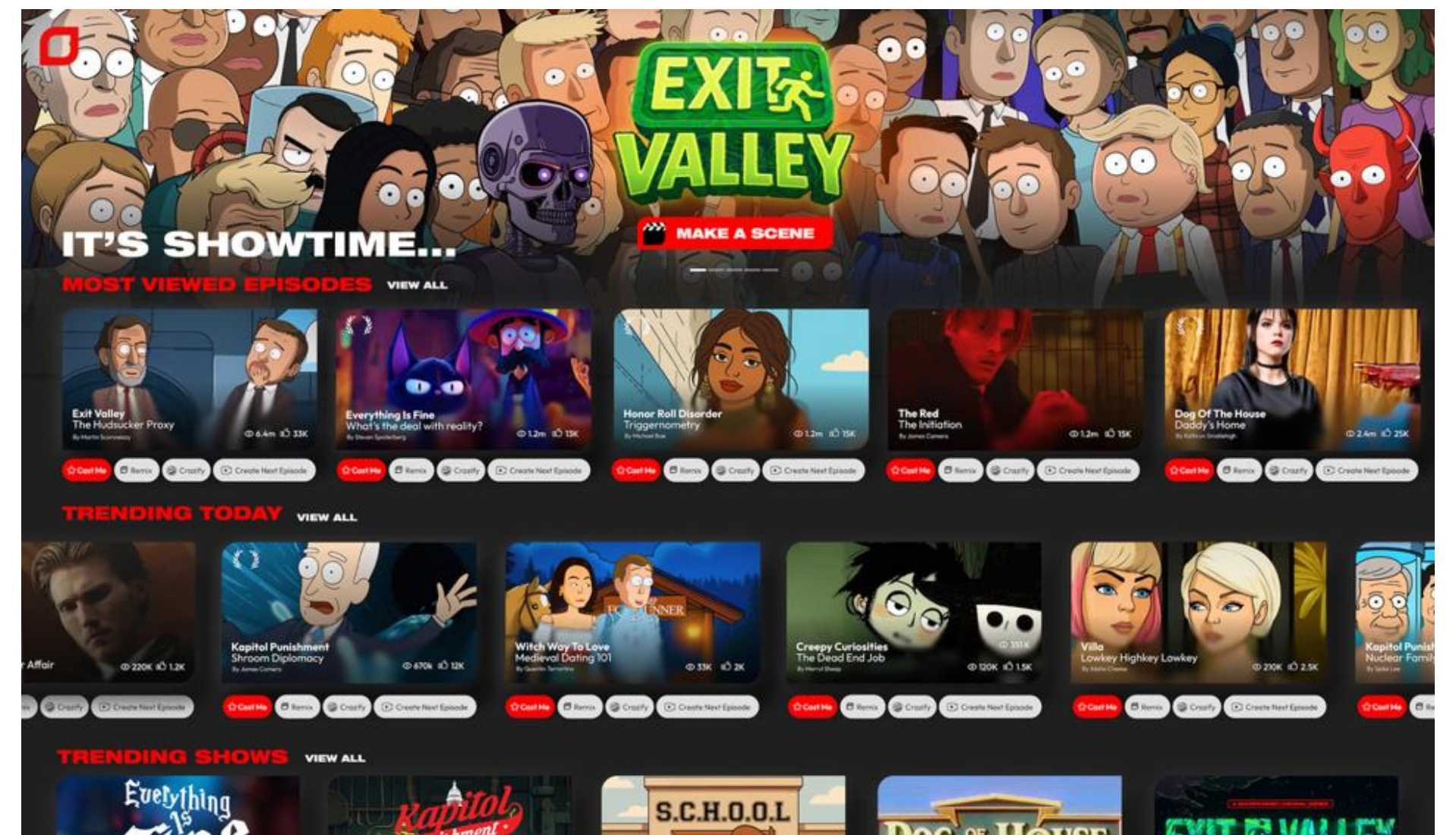
The role of AI in creating content is now beginning to scale up and growing 27% per year from a base of USD 15 billion in 2024, to reach about [USD 200 billion by 2033](#). A significant proportion of this will focus on automating existing workflows. Gen AI was recently used for the first time in a major TV production, [The Eternaut](#) from Netflix.

However, a substantial proportion of growth will also come from novel experiences and technologies, opening new touchpoints and models for brands to explore and exploit.

New Entertainment Formats

[Cost performance curves](#) predicted that the concept of generative TV shows, in which video formats are generated by audiences, rather than being viewed, would not arrive until at least 2026.

[Showrunner](#) delivered this idea even sooner than predicted. It describes itself as the [Netflix of AI](#), a service where users can generate entirely new shows, based on templates of characters and styles.



The first 'show' is [Exit Valley](#), a Family Guy-style satirical animation show that features many of Silicon Valley's most influential characters, but where new dialogue, scenes, and characters can be generated by anyone.

We are starting to see the collision of meme culture with TV, where formats exist as platforms for [creators at any scale to build upon](#). Essentially, creating a format with infinite episodes and a fully decentralized creative process, where viewers can not only create the content, but also create versions of themselves to appear in it.

The reputational, [security](#), [legal](#), and [compliance](#) risks in this space are significant and not yet well understood. Brands also need to avoid accusations of producing [low-effort content](#). However, brands should track the development of this technology.

We can imagine a brand campaign where a branded universe is set. This could be utilized for idea prototyping, enabling infinite ideas and variants to be created by the brand. As guardrail protocols are developed, the creation capabilities can be opened to stakeholders, customers, and the public at large.

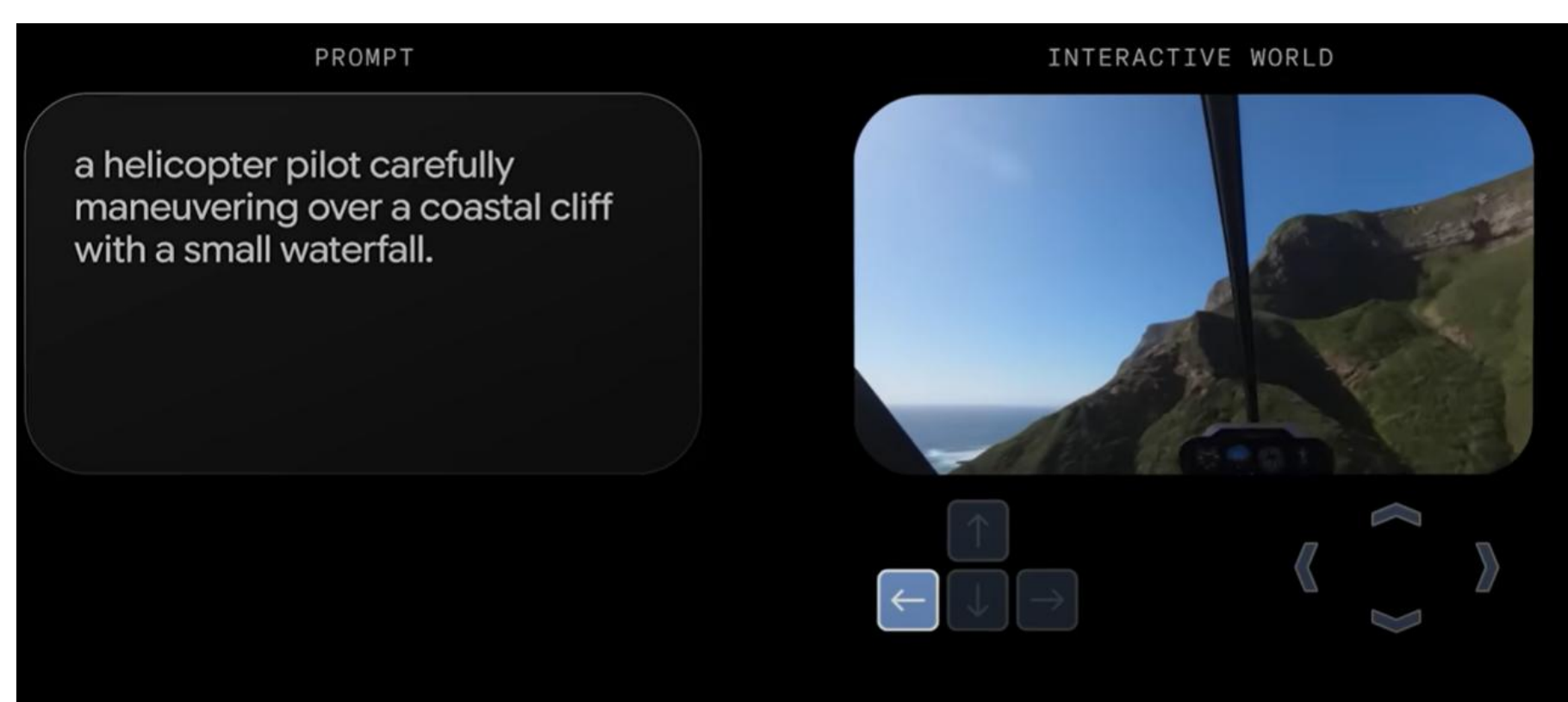
These principles can be applied to any number of video generation platforms, such as Google's recent [Veo3](#), OpenAI's Sora, or the newly upgraded [Runway](#) video platform. The aesthetic capability of each AI engine is just one aspect to consider; the [guardrails and protocols](#) to protect [brands and users](#) will be at least as important.

Branded World Models

In many cases, AI has been replicating existing modalities from text to images and video. However, we are starting to see entirely novel modalities of content that sit between what we currently understand.

For example, recent progress in [world models, such as Genie 3](#) from Google DeepMind has generated immersive, explorable content on the fly. [They look like a video, but work more like a game engine](#) and do things that neither of them can do.

It's a research preview and is not available to use yet, but it's a sign of what's to come.



The Google engineer was surprised by its capabilities. For example, the ability to create an entire reality based on famous works of art, such as [Edward Hopper's Nighthawks](#), or the ability to step into ['The Death of Socrates' painted in 1787](#).

Using similar technology, [advertisers can now generate entire virtual environments](#) on the fly. This goes beyond a pre-rendered video; a user can "walk into" a brand's world, explore it, and interact with objects and characters. The worlds can be either photorealistic or fantastical, allowing for unprecedented creative freedom.

The model's ability to remember and maintain the state of its world for several minutes means that user actions have consequences. If a user "leaves a mark" on a wall or moves an object, it will still be there if they return. This creates a sense of persistence and realism that is essential for immersive storytelling.

Objects fall and interact plausibly. This allows for realistic product demonstrations and the ability to test "what-if" scenarios that would be impossible or prohibitively expensive in the real world.

For example, a potential [car buyer in a virtual showroom](#) can say, "summon a sudden storm" to see how a vehicle handles bad weather, or "change the car's color to cherry red" to see how it looks under different lighting conditions.

This level of customization and interactivity moves the experience from passive viewing to active participation.

Deeper Brand Partnerships

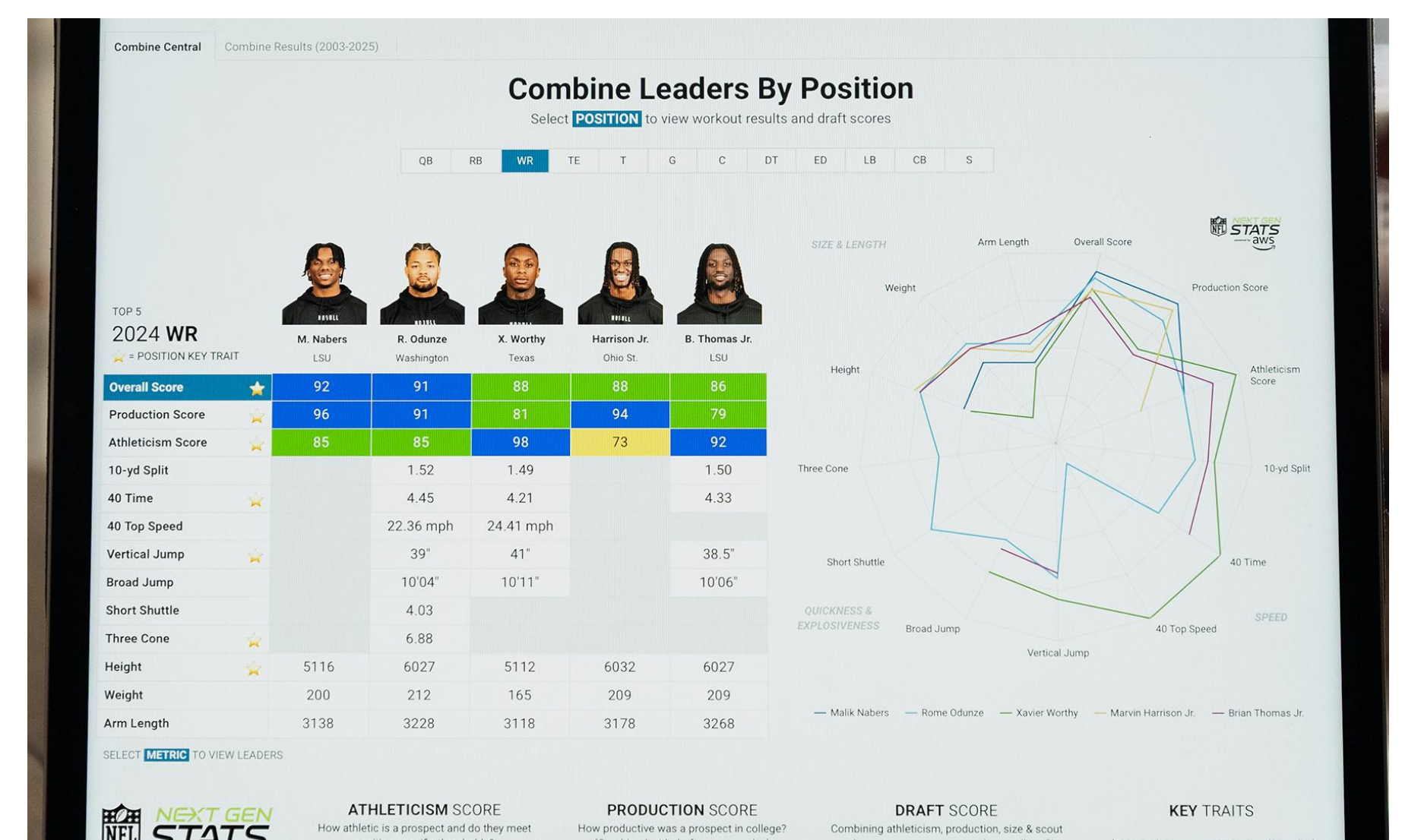
We are starting to see AI-enabled entertainment experiences provided by publishers, tech companies, and advertiser brands.

Sports is a rich area of innovation. Microsoft recently announced [a 5-year partnership](#) with the English Premier League to add Copilot to the league's online presence. Plans include:

- [AI assistant managers for Fantasy Premier Leagues](#) and natural-language audio translation.
- Longer-term roadmaps, [personalized fan feeds](#), and sponsor activations embedded into broadcasts.

Amazon's partnership with the NFL is perhaps the most sophisticated yet. [Amazon-powered Next Gen Stats](#) delivers a variety of live in-game innovations, as well as pre- and [post-game analytics](#).

The most recent iteration of this was the [2025 NFL draft IQ](#). This not only improves the NFL draft viewing experience for fans but also showcases the data analytics capabilities of AWS.



Spotify's [AI DJ](#) and [AI Playlists](#) have recently expanded to more markets globally, teaching users that AI can curate, narrate, and surprise.

Beyond today's capability to [create audio ads with AI](#). There is potential for brands to sponsor formats, seed sonic-branded prompts, or co-create utility playlists around moments (study, fitness, travel) that map to category use cases.

The age of generative AI entertainment is only just beginning; most technologies are at the concept or demo stage, but the direction of travel is clear.

We can expect to see much innovation, and brands will have a critical role to play in creating what's next with new kinds of experiences that consumers trust and value, both viable and scalable.



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