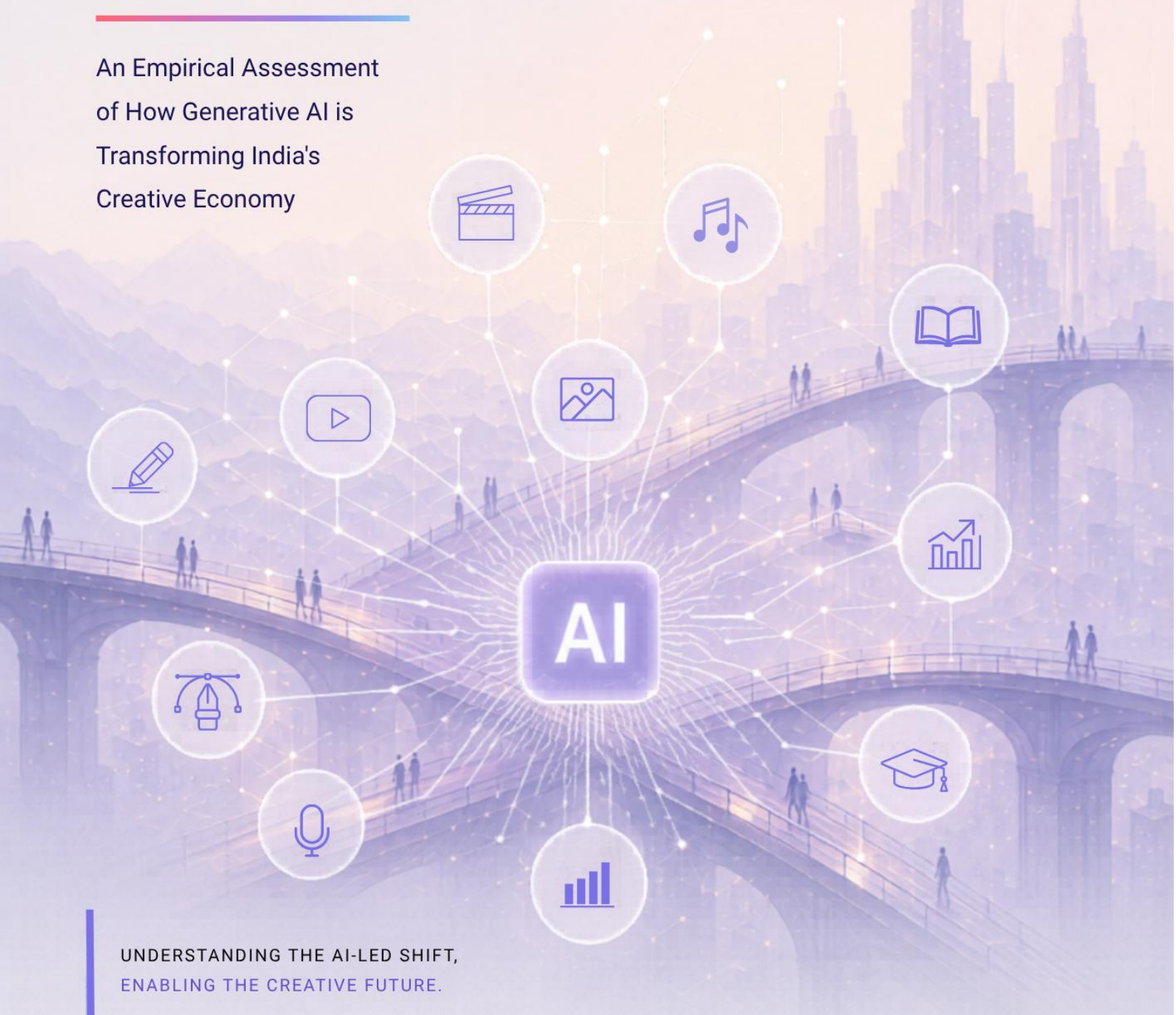


Augmenting Creativity

An Empirical Assessment
of How Generative AI is
Transforming India's
Creative Economy



UNDERSTANDING THE AI-LED SHIFT,
ENABLING THE CREATIVE FUTURE.

SURVEY-BASED-STUDY

Augmenting Creativity

An Empirical Assessment of How Generative AI Is Transforming Creative Economy in India.

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The Dialogue is a public policy think tank with a vision to drive a progressive narrative in India's policy discourse. Founded in 2017, we believe in facilitating well-researched policy debates at various levels to help develop a more informed citizenry, on areas around technology and development issues. The Dialogue has been ranked as the world's Top 10 think tanks to watch out for, by the Think Tank and Civil Societies Programme (TTCSP), University of Pennsylvania in their 2020 and 2021 rankings.

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List of Abbreviations

Abbreviation	Full Form
AI	Artificial Intelligence
AIVA	Artificial Intelligence Virtual Artist
GenAI	Generative Artificial Intelligence
GPT	Generative Pre-trained Transformer
LLM	Large Language Model
NDA	Non-Disclosure Agreement
OOH	Out-of-Home advertising

Acknowledgement

This study is rooted in the experiences, reflections, and lived realities of creators navigating a rapidly transforming digital ecosystem. We extend our deepest gratitude to all the creators, creative professionals, and contributors who generously dedicated their time, insights, and experiences to this research. Their openness and thoughtful engagement brought depth, nuance, and authenticity to the study, enabling a more grounded understanding of how Generative AI is reshaping creative work, livelihoods, and expression in India. Their voices remain central to the conversations this report seeks to advance.

We are also sincerely grateful to our peer reviewers, whose intellectual guidance, constructive critique, and generous feedback significantly strengthened the analytical rigor and overall quality of this report. Their perspectives helped sharpen the research framework, refine key arguments, and deepen the study's engagement with the broader technological, economic, and policy implications surrounding AI and the creator economy.

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Finally, we extend our appreciation to everyone who supported this research in various capacities and contributed to fostering a more informed and inclusive conversation on the future of creativity in the age of Artificial Intelligence.

Executive Summary

The growing integration of Generative Artificial Intelligence (GenAI) tools marks a structural inflection point in the evolution of creative industries. Technologies capable of producing text, images, music, code, and audiovisual content at scale are no longer confined to experimental or elite settings. They are increasingly embedded in the everyday workflows of artists, writers, designers, musicians, filmmakers, and creative agencies. This transition represents not merely the adoption of a new class of tools, but the emergence of a general-purpose creative infrastructure with profound implications for how creative work is produced, distributed, and monetised.

Creative industries have historically been shaped by technological change, from the printing press and photography to digital audio workstations and online publishing platforms. However, GenAI differs from prior innovations in its capacity to simultaneously automate and augment cognitive and expressive labour across a wide range of occupations, rather than transforming a single sector at a time. Unlike earlier digital tools that primarily reduced friction in production or distribution, GenAI systems participate directly in ideation, iteration, personalisation, and localisation. This dual role complicates prevailing narratives that frame AI either as a threat to creative labour or as a neutral efficiency-enhancing technology. Instead, it raises urgent questions about value creation, economic gains, and long-term sustainability within creative ecosystems.

Despite the intensity of public debate, empirical evidence on how GenAI is reshaping creative work remains limited. Existing research has largely focused on theoretical implications, intellectual property risks, or labour displacement concerns, often drawing on examples from large platforms or Western creative markets. Far less attention has been paid to creator-level economic outcomes, such as revenue growth, cost structures, audience expansion, etc. particularly in emerging markets where digital creativity has become a critical source of income and cultural production. Moreover, the lived experiences of creators adopting AI tools, especially those operating in niche or long-tail content categories, remain underrepresented in current scholarship.

This study addresses these gaps by offering an empirical assessment of how GenAI tools are transforming creative industries in India. Drawing on primary survey data from over 50 anonymised creative professionals across diverse fields, the study examines three key dimensions: (i) the influence of AI-enabled discoverability, personalisation, and platform integration on creator revenues and audience reach; (ii) the extent to which AI-driven automation alters production costs, creative productivity, and pricing models; and (iii) emerging monetisation and collaboration structures enabled by GenAI. The findings indicate that while direct revenue gains remain uneven, AI is already reshaping cost structures, workflow intensity, and forward-looking monetisation expectations across the creative sector.

Summary of Findings

(i) For Individual Creators

AI represents productivity-enhancing opportunity, particularly for creators willing to invest in learning and integration

As execution becomes increasingly commoditised, differentiation through elements such as a distinct creative voice, strong audience relationships, and strategic positioning becomes more valuable.

The segmentation of creative markets suggests that AI strategy is becoming a critical component of creator positioning, with three emerging pathways: (i) efficiency-driven production, leveraging AI for scale and speed; (ii) authenticity-premium positioning, emphasising on human-crafted originality and limited AI use and (iii) specialised expertise, deploying AI as a technical capability to deliver high-skill, differentiated services.

(ii) For Platform Builders

There is significant intermediation potential in AI-enabled artisan and creator platforms

Opportunities for premium margins are emerging in specialised AI services compared to traditional creative offerings

Additionally, there is considerable scope for expansion in regional language markets and Tier 2 and Tier 3 ecosystems.

(iii) For Industry

Net employment effects are likely to remain positive within creative sectors, driven by market expansion and the recomposition of roles.

Skill requirements are shifting towards higher-order judgment, creative direction, and strategic oversight.

At the same time, new professional categories are emerging, including roles focused on prompt engineering, workflow optimisation, AI-assisted content curation.

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Introduction

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Every creator has a story.
AI helps more stories reach the world.

The emergence of GenAI technologies has catalysed a fundamental restructuring of the creative production landscape.¹ Models trained on vast repositories of text, images, audio, and video have democratised access to professional-grade creative capabilities that were previously gated by technical expertise, specialised equipment, and substantial capital investment. This shift carries significant implications for creator revenues, production economics, and the structure of creative labour markets.

Existing literature on AI and creative work has predominantly focused on displacement concerns and the ethical dimensions of synthetic content. However, there remains limited empirical research documenting the mechanisms through which creators operationalise these tools and the measurable economic outcomes that follow. This gap is particularly pronounced in regional creative economies, where market-specific constraints and creator demographics differ significantly from the Western contexts that dominate current scholarships.

This research addresses three distinct but interconnected phenomena:

- **Discoverability and Revenue Dynamics:** The mechanisms through which AI-enabled personalisation, platform visibility optimisation, and audience targeting translate into measurable revenue gains for creators.
- **Productivity Restructuring:** The extent to which AI-driven automation reduces production costs and timelines, and how these efficiencies reshape pricing models and professional positioning.
- **Monetisation Evolution:** The emergence of new revenue streams and collaborative models enabled by AI capabilities, including licensing, hybrid co-creation arrangements, and platform-based opportunities.

The empirical basis for this analysis comprises survey responses from over **50 creative professionals** and platform builders, collected between **November 2025 and February 2026**. Respondents represent heterogeneous creative disciplines, organisational forms ranging from solo practitioners to platform intermediaries, and varying stages of AI adoption, from exploratory use to daily integration. This diversity enables a comparative analysis of how AI adoption shapes productivity, cost structures, and monetisation strategies across different creative sectors and professional contexts. These findings also align with broader global projections on the economic implications of GenAI for creative industries. Industry analyses suggest that GenAI is likely to expand the economic footprint of creative work by increasing productivity, lowering barriers to entry, and enabling new forms of digital asset monetisation.²

¹ Committee of Experts on the Implications of Generative AI for Freedom of Expression <<https://rm.coe.int/msi-ai-2025-10-draft-guidance-note-on-the-implications-of-generative-a/1680b68c48>> last accessed on 27th April, 2026

² World Economic Forum, Artificial Intelligence in Media, Entertainment and Sport <https://reports.weforum.org/docs/WEF_Artificial_Intelligence_in_Media_Entertainment_and_Sport_2025.pdf> last accessed on 26th April, 2026

Data, Methodology, and Respondent Characteristics

DATA COLLECTION AND SAMPLE CHARACTERISTICS
LIMITATIONS OF RESEARCH
AI TOOL ADOPTION LANDSCAPE
PRIMARY USE CASES



“

Good decisions are built on good data.
This chapter lays the foundation for the insights that follow.

models; and (v) subjective assessments of indirect economic value creation and future opportunities.

The final sample comprises over 50 respondents who provided substantive responses to the core survey items. The distribution of respondents across professional roles is as follows:

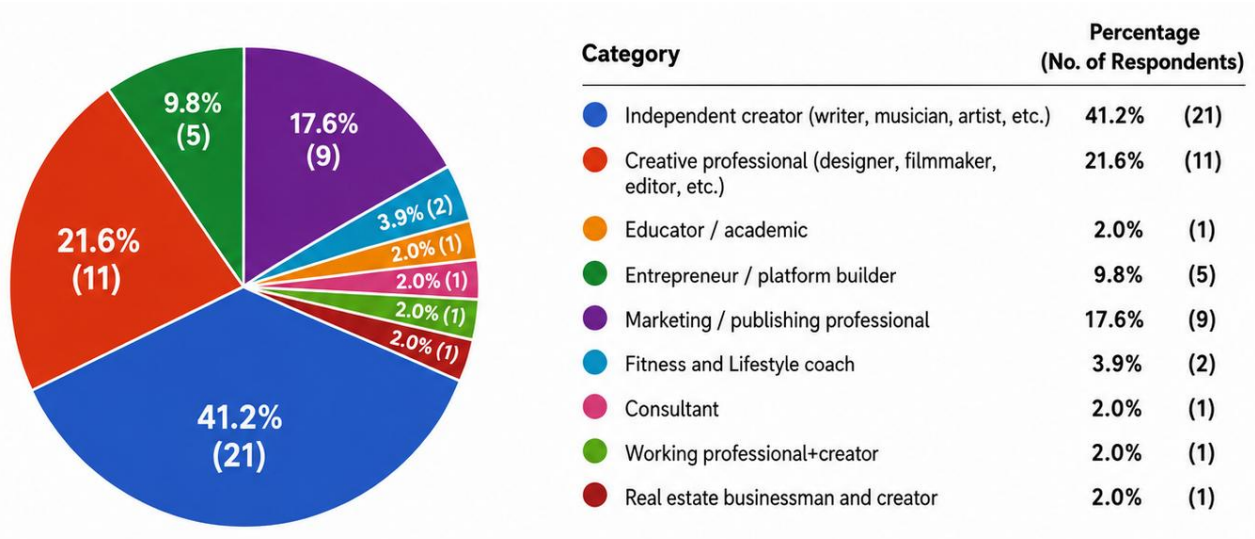


Figure 1: Survey Respondents Mix

- Marketing and publishing professionals: 9 respondents (17.6%)
- Creative professionals (designers, filmmakers, editors): 11 respondents (21.6%)
- Independent creators (writers, musicians, artists, comedians, lifestyle content): 21 respondents (41.2%)
- Entrepreneurs and solution builders: 5 respondents (9.8%)
- Educators and consultants: 2 respondents (3.9%)

Field-level specialisation indicates a concentration in visual content production, including visual arts and design (19.6%) and film and video production (17.6%). This is followed by marketing and advertising (31.4%), writing and publishing (15.7%), and music production (7.8%). Smaller representations are observed across education, comedy, sports commentary, fitness, technology content, and regional craft preservation.

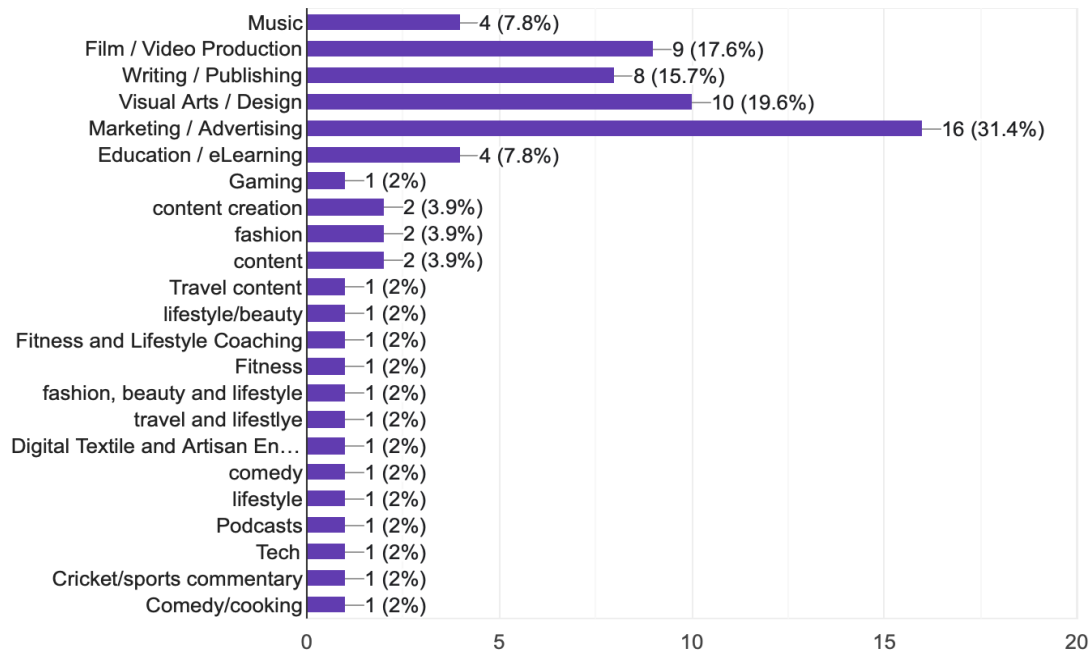


Figure 2: Respondents Creative Fields Mix

2.2 Limitations of the Research

This analysis is based on survey data collected within a time frame (November 2025 to February 2026) and a specific geographic context (primarily India). The study is subject to the following limitations:

- **Selection bias:** The sample is skewed towards AI-aware, early-adopter creators, which may overestimate the average impact of AI adoption.
- **Temporal limitations:** The rapid evolution of AI capabilities may alter findings within the next 12 to 24 months.
- **Causality challenges:** The survey design does not allow for definitive conclusions regarding causation as opposed to correlation.
- **Measurement precision:** Financial data is self-reported and may be subject to variation in recall and interpretation.
- **Macro-level impact:** The study focuses primarily on micro-level experiences and self-reported outcomes among creators and platform builders. It does not provide evidence on broader macroeconomic impacts. Accordingly, the findings do not support conclusions regarding overall employment effects within the creative economy, including net job creation, displacement, or sector-wide labour market shifts.

2.3 AI Tool Adoption Landscape

Respondents report the use of multiple categories of AI tools, including:

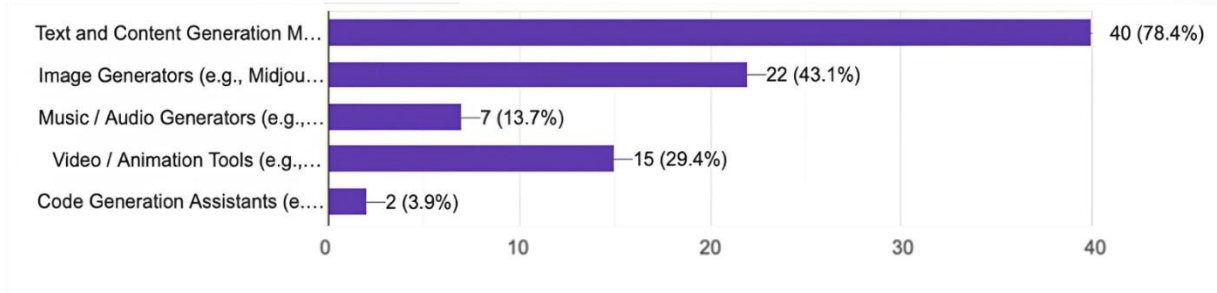


Figure 3: Respondents Generative AI Tools Regular Use Mix

-
- Text and content generation: 78.4% of respondents use models such as GPT, Claude, and Gemini.
- Image generation: 43.1% use visual synthesis tools such as Midjourney, DALL-E, and Stable Diffusion.
- Video and animation tools: 29.4% use video synthesis and editing tools, including Runway, Pictory, and Descript
- Music and audio generation: 13.7% use audio synthesis tools such as Suno, AIVA, and Soundraw.
- Code generation: 3.9% use tools such as GitHub Copilot for development workflows

Frequency of use indicates variation in the intensity of adoption:

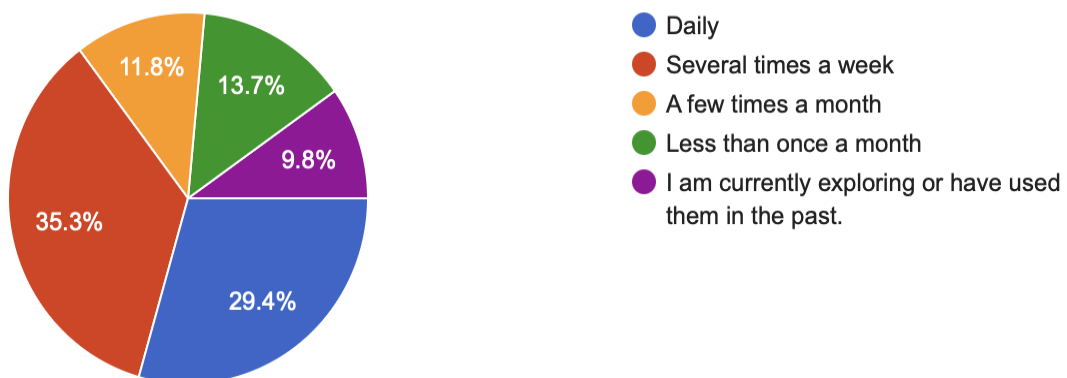


Figure 4: Respondents Frequency of Use

- Daily use: 29.4% (integrated into primary workflows)
- Several times weekly: 35.3% (regular supplementary use)
- A few times monthly or Less: 25.5% (exploratory stage)
- Seldom: 9.8% (primarily research-focused respondents)

2.4 Primary Use Cases

Respondent-reported primary use cases cluster into distinct functional categories:

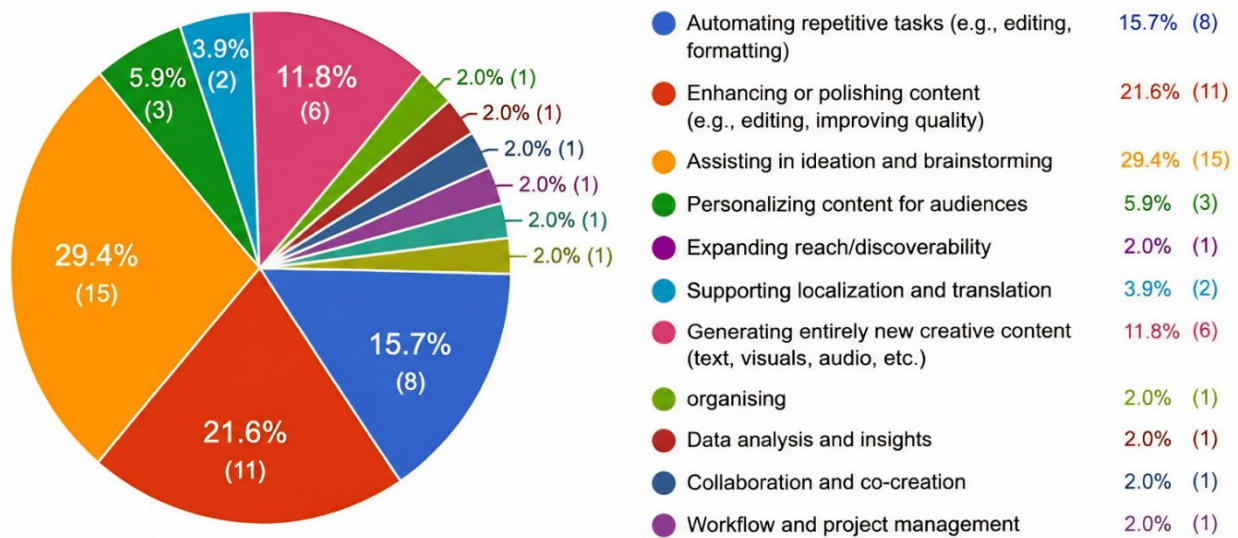


Figure 5: Primary Use cases reported by Respondents

- Ideation and brainstorming (29.4%): Creative problem-solving, concept development, and rapid iteration
- Automation of repetitive tasks (15.7%): Transcription, subtitling, editing, and formatting
- Content enhancement (21.6%): Polishing, editing, upscaling, and formatting existing work
- Generative asset creation (11.8%): Producing entirely new music, art, video, and design elements
- Personalisation and Localisation (9.8%): Adapting content for multiple audiences, languages, and contexts
- Supporting services (11.7%): Translation, accessibility features, and related functions.

03

AI-Enabled Discoverability, Personalisation, and Revenue Impact

MECHANISM OF REVENUE ENHANCEMENT

QUANTITATIVE REVENUE OUTCOMES

MODERATING FACTORS AND HETEROGENEOUS OUTCOMES



“

AI doesn't just help creators grow.

It helps them reach the right people, in the right way, at the right time.

The integration of GenAI into creative production ecosystems has significantly altered the mechanisms through which creators achieve discoverability, audience engagement, and revenue generation. Findings from this study indicate that AI does not typically operate solely as a direct revenue-producing asset; rather, it functions as an enabling infrastructure that enhances creative output, accelerates production workflows, and optimises platform visibility. In practice, creators rarely monetise AI tools themselves. Instead, AI amplifies the underlying conditions that make monetisation possible, including increased content frequency, improved audience targeting, faster iteration cycles, and the ability to distribute content across multiple formats and languages. By reducing production bottlenecks and enabling more consistent audience engagement, AI strengthens the pathways through which creative work becomes economically viable. Revenue therefore emerges indirectly, as improvements in productivity, discoverability, and audience resonance translate into higher advertising income, brand partnerships, licensing opportunities, and client demand. In this sense, AI operates less as a standalone income stream and more as a foundational productivity layer that expands the scale and efficiency of creative economic activity.

These structural improvements generate second-order economic outcomes, including increased audience reach, improved engagement metrics, and enhanced monetisation opportunities. Respondent narratives consistently indicate that creators who strategically integrate AI tools experience significant improvements in content performance, audience acquisition, and revenue stability. However, these outcomes vary considerably across sectors and levels of adoption.

3.1 Mechanism of Revenue Enhancement

The empirical evidence suggests that the relationship between AI deployment and revenue growth operates through a multi-stage transformation process. AI tools primarily enhance operational efficiency by automating repetitive production tasks, supporting creative ideation, and enabling the rapid iteration of content assets. These efficiencies allow creators to increase content frequency, improve production quality, and respond more effectively to patterns of audience engagement. As most digital creative economies operate through algorithmically mediated platforms, including social media, video-sharing networks, and streaming services, these improvements translate into stronger algorithmic visibility, expanded audience discovery, and ultimately enhanced monetisation potential.

Real-world Account by Srishti Pandey, Independent Creative Director

My creative process is rooted in cultural insight, humour, and human truth but the reality of working across multiple brand campaigns means ideas need to be sharp, scalable, and fast. AI has enhanced my process not by generating “big ideas” for me, but by helping me explore and refine them more efficiently. It’s almost like my pre-production partner in creativity. A key use case has been idea expansion and pressure testing. While working on a Valentine’s Day campaign for Prime Video, the challenge wasn’t coming up with a line, it was ensuring the idea could live across billboards, short-form videos, and

social banter without losing charm. I used ChatGPT to spin multiple tonal variations of the same line: playful, bold, self-aware to test which versions retained humour without tipping into cringe.

During an ideation for Tinder about their Move On campaign, I started with raw observations, half-written lines, and cultural truths about dating fatigue. Gemini helped me organise these fragments into clear narratives: defining the core insight, mapping audience participation, and outlining how the idea would unfold across touchpoints. Some of my ideas also rely heavily on visualisation. On-ground activations, billboards, short-form videos, or social-first stunts live or die based on how clearly they can be seen, not just explained. I regularly use Nano Banana to create quick, realistic mock-ups of OOH, activations, props, pop ups etc. for pitches. These image mocks help me test whether an idea reads instantly to a passerby and whether it's visually distinct enough to be shared. Generating multiple variations quickly allows me to simplify ideas early and avoid spending time on concepts that don't translate visually. Together, these tools allow me to arrive at decisions much earlier in the process. By the time an idea moves into execution, its tone, structure, and visual language have already been examined from multiple angles. This reduces friction later and makes collaboration smoother across teams and stakeholders.

Read-World Account by Vinay Chauhan, Founder, Poop Culture India

I sit at an intersection of ideas, people, and delivery. Beyond creative, I'm responsible for timelines, contracts, communication, and coordination across multiple people. AI has become a practical tool in streamlining these operational layers.

One of the most frequent use cases is drafting and reviewing contracts. For freelance and collab agreements, NDAs, and scope documents, I use AI to generate first drafts based on standard clauses and project-specific requirements. This speeds up turnaround, reduces back-and-forth with legal teams, and ensures consistency across documents. I still review every detail, but starting from a structured draft rather than a blank page has significantly reduced load.

AI has also improved day-to-day formal communication. I use it to draft emails for client updates, vendor negotiations, and internal alignment, adjusting tone depending on the context. It also helps me with documentation. From writing clear briefs to summarising feedback and decisions after reviews, it ensures information doesn't get lost. This has reduced misalignment and helped me stay focused on execution. Overall, I'd say all AI tools I use function as an operational backbone in my creative work, ensuring that ideas aren't slowed down by the systems around them.

Respondents repeatedly emphasised that AI adoption modifies the production–distribution–monetisation pipeline by compressing creative production cycles and enabling creators to align more closely with platform performance indicators. Increased posting consistency, rapid content optimisation, and data-informed audience targeting contribute to improved visibility within recommendation algorithms. This enhanced visibility drives audience growth and increases advertiser attractiveness, creating a compounding feedback loop in which improved discoverability generates greater revenue potential.

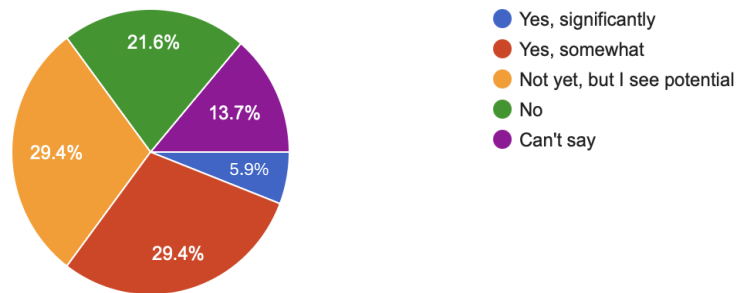


Figure 6: AI’s contribution to audience reach³

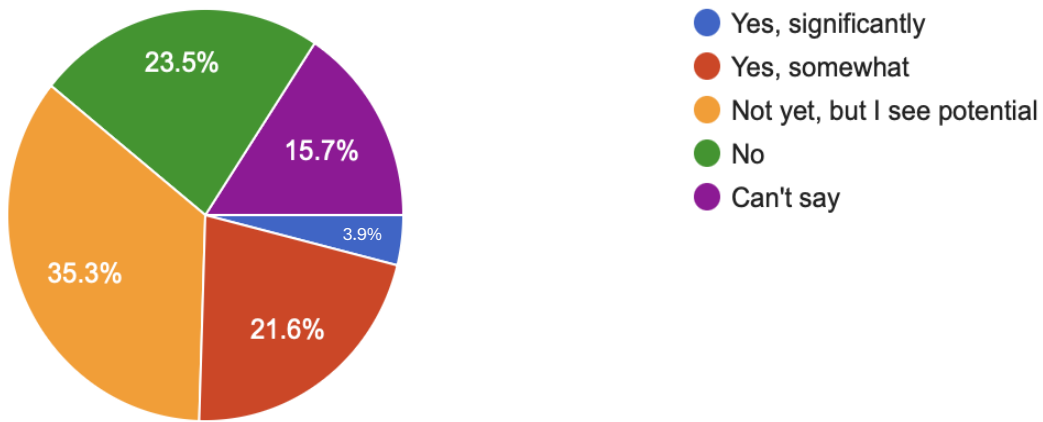


Figure 7: AI’s contribution to platform visibility⁴

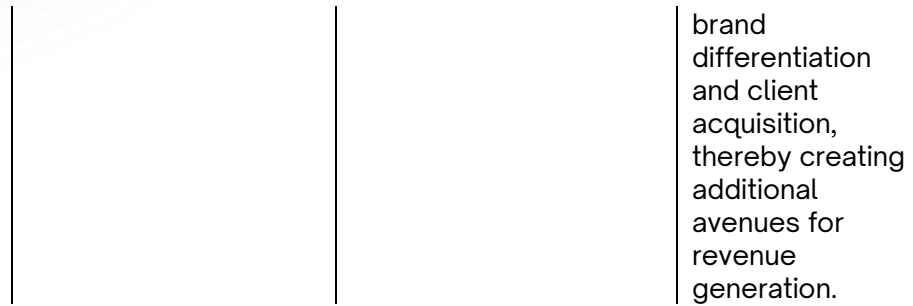
³ Audience reach here implies the actual number of unique people who view or engage with the content. It measures the realized audience size rather than the opportunity for discovery.

⁴ Platform visibility reflects the opportunity for discovery. When content has high visibility (say it's available in diverse languages), the platform displays it more frequently in feeds, recommendations, search results, trending sections, or suggested videos.

Particular	Details	Real-life accounts	Economic Implications
(i) Content Output Multiplication and Algorithmic Advantage	<p>One of the most consistently reported outcomes of AI integration is a substantial increase in content production capacity. Respondents across multiple creative sectors described AI as significantly reducing the time required for ideation, scripting, editing, captioning, and formatting, functions that collectively constitute a large share of creative production workflows. This acceleration enables creators to increase publishing frequency without proportionally expanding labour inputs or outsourcing expenditure. Empirical narratives indicate a strong correlation between increased output frequency and improved algorithmic visibility across digital content platforms.</p> <p>These findings highlight the compounding nature of algorithmic discovery systems, in which consistent publishing generates cumulative engagement signals that further enhance platform visibility.</p>	<p>A marketing and publishing professional reported that AI-assisted workflow optimisation increased content production from <u>‘approximately two videos per week to five or six videos weekly’</u>. According to the respondent, <u>‘this increase in publishing frequency resulted in improved algorithmic ranking and enhanced brand visibility, which subsequently generated additional brand partnerships’</u>. Within a six-month period, this sustained increase in output - facilitated subscriber growth and platform authority sufficient to secure a major brand collaboration valued at approximately ₹25 lakhs.</p> <p>Similar trends were observed among independent creators. A sports commentary creator reported that the use of AI tools for scripting, editing, and caption generation enabled an increase in output from 2 videos per week to approximately 5 or 6. This volumetric increase contributed to measurable audience growth, including a significant rise in subscribers within six</p>	<p>From an economic perspective, AI-enabled output multiplication creates a positive feedback loop in which increased publishing frequency strengthens algorithmic visibility, which in turn enhances discoverability and audience acquisition. This recursive dynamic expands revenue opportunities through advertising, sponsorships, and affiliate partnerships. Importantly, the findings suggest that this mechanism is most effective when AI is deployed to automate repetitive technical processes while creators retain responsibility for strategic content direction and narrative development.</p>

		<p>months. Respondents also noted that AI adoption reduced production costs, thereby democratising access to higher-volume content creation.</p>	
<p>(ii) Personalisation, Audience Segmentation, and Multilingual Market Expansion</p>	<p>Beyond increasing content volume, AI enables creators to tailor content to multiple audience segments with increased efficiency.</p> <p>This capacity for micro-segmentation significantly enhances engagement metrics, which serve as critical drivers of platform monetisation models.</p> <p>Localisation and multilingual adaptation emerged as particularly significant drivers of revenue growth, specially within the Indian creative ecosystem.</p> <p>These findings suggest that AI-driven personalisation functions both as an engagement optimisation mechanism and as a market expansion tool, enabling creators to capture value from previously underserved demographic segments.</p>	<p>Respondents frequently reported using AI tools to <u>'generate multiple versions of individual content pieces optimised for distinct demographic or psychographic groups'</u>.</p> <p>One video content creator working across gaming, sports, and entertainment domains described using <u>'AI tools to produce audience-specific introductions, titles, and thumbnail text designed to appeal to different user segments, including highly competitive players, casual viewers, and entertainment-oriented audiences'</u>. The respondent noted that <u>such 'targeted personalisation enabled consistent publishing without requiring additional editorial staff, contributing to higher viewer retention rates, increased advertising revenue through improved AdSense performance, and periodic spikes in subscriber acquisition'</u>.</p> <p>A travel and lifestyle creator similarly</p>	<p>The economic implications of multilingual content adaptation are substantial. Prior to AI integration, localisation required significant manual transcription and translation costs, making it impractical for independent creators and small production teams. AI tools have significantly lowered these barriers, enabling wider adoption of multilingual distribution strategies. A platform builder working with artisan cooperatives similarly reported <u>'leveraging AI translation and localization tools to expand audience reach on social media platforms, directly contributing to increased community</u></p>

		<p>reported that <u>‘AI-based subtitle generation enabled simultaneous content distribution in English and Hindi while also allowing efficient translation into regional languages such as Tamil, Telugu, and Bengali’</u>. According to the respondent, multilingual subtitle integration tripled viewership from non-metropolitan regions, demonstrating the role of AI in unlocking geographically and linguistically diverse audiences that were previously economically inaccessible.</p>	<p><u>engagement and sales performance for the cooperative.’</u></p>
<p>(iii) Platform Visibility Expansion Through AI-Enabled Marketing and Service Differentiation</p>	<p>In addition to optimising content production, AI facilitates new pathways for discovery through marketing innovation and service differentiation. Respondents described using AI to enhance audience targeting, automate promotional content creation, and develop specialised service offerings that themselves become monetisable assets.</p>	<p>A marketing professional reported establishing an AI-focused creative unit, described as an ‘AI Lab’, within three months of adopting generative video tools. The unit subsequently attracted major corporate clients, including established consumer brands. The respondent attributed <u>‘client acquisition to the agency’s ability to produce AI-generated video content at significantly reduced cost and turnaround time, which differentiated its service offering within competitive marketing markets.’</u></p>	<p>From an economic standpoint, this case illustrates a broader structural shift in which AI capabilities evolve from internal productivity tools into external revenue-generating services. Agencies and creative studios increasingly market AI expertise as a premium capability, effectively transforming technical tool adoption into a strategy for</p>



3.2 Quantitative Revenue Outcomes

While qualitative narratives demonstrate consistent productivity benefits, reported revenue outcomes vary considerably across respondents. Survey responses reflect both realised and anticipated economic impacts. To reduce reliance on subjective interpretation, responses to the question, ‘*Has AI contributed to increasing your revenue?*’, were analysed in relation to observable characteristics such as adoption intensity, workflow integration, and sectoral positioning. The response distribution indicates that 35.3% of respondents reported some degree of revenue increase (either ‘significantly’ or ‘somewhat’), while 53% reported no realised revenue gains at the time of the survey, (selecting responses such as ‘not yet but I see potential’ or ‘no’). These findings suggest that AI adoption within the creative economy remains in a transitional phase, where productivity benefits are widely recognised but monetisation outcomes continue to vary across creators and sectors. To establish a clearer analytical benchmark, responses were evaluated alongside reported changes in output volume, cost structures, and monetisation channels, enabling a more structured classification of economic outcomes. The dataset reveals three broad categories of impact: substantial revenue expansion, moderate revenue improvement, and nascent or anticipated revenue gains. These variations reflect differences in sectoral dynamics, intensity of AI adoption, and market positioning.

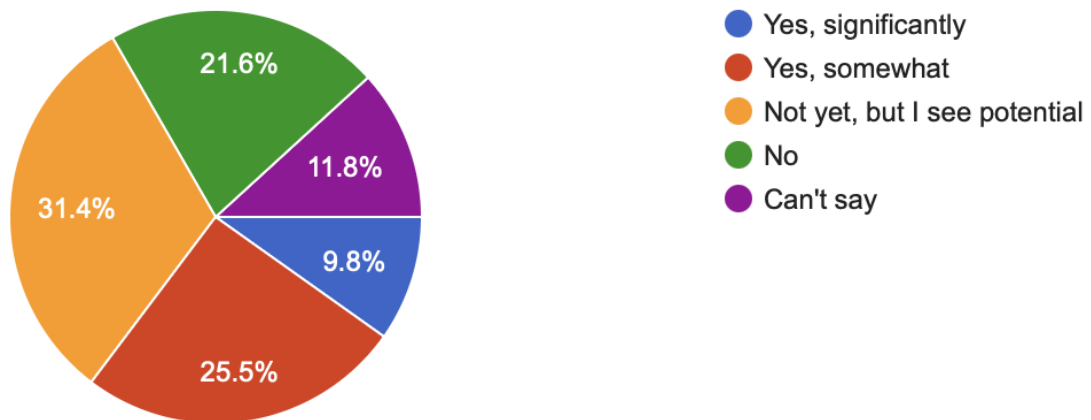


Figure 8: AI contribution to increased revenue

3.2.1 Substantial Revenue Expansion

(i) Music Production and Accelerated Project Output

Independent music producers reported some of the most significant revenue gains associated with AI adoption. One respondent specialising in background composition described 'using generative music tools to produce multiple draft compositions within hours'. In one documented case, the producer 'generated fifteen alternative background tracks using AI prompts, selected the strongest composition, and refined it using traditional production software and live instrumentation'.

A task that previously required six to eight hours was completed significantly faster, enabling delivery within a 24-hour client deadline. This efficiency allowed the creator to secure a corporate contract valued at ₹2 lakhs, which subsequently generated additional client referrals. The respondent further reported that AI integration increased project capacity by enabling the acceptance of two to three additional projects per month, resulting in estimated monthly income gains of approximately ₹5–6 lakhs.

(ii) Platform Intermediation and Artisan Ecosystem Development

Platform builders operating within traditional craft and artisan sectors also reported transformative revenue impacts. One intermediary organisation building a website for handloom artisans described 'using AI image generation to visualise contemporary applications of traditional Toda embroidery motifs, producing conceptual product images such as accessories and consumer electronics-covers'. These visual prototypes served as design references for artisans, facilitating the development of market-ready products that blended cultural heritage with contemporary consumer preferences.

The resulting product diversification improved sales performance across exhibitions and digital marketplaces, generating revenue growth for both artisans and the intermediary platform. This example demonstrates AI's capacity to create economic value through product innovation and market repositioning.

(iii) Professional Advancement Through AI-Augmented Productivity

Several respondents reported indirect revenue gains through improved labour market positioning. One respondent noted: "I worked in digital marketing for about 8 years. Since LLMs became available, I started using them extensively, which saved me time. This allowed me to take on more projects, invest in further education, and improve my skills. As a result, I was able to apply for better jobs and negotiate a bigger package." A fitness and lifestyle professional similarly reported that AI-enabled time savings facilitated increased client acquisition and greater investment in skill development. Although these outcomes were not directly linked to content monetisation, they illustrate

(iv) Content Creator Revenue Scaling Through Output Expansion

Video content creators similarly reported revenue growth driven by increased publishing frequency. One sports and entertainment creator documented 'a transition from two weekly uploads to five or six following AI adoption, resulting in accelerated subscriber growth and increased sponsorship opportunities'. The respondent noted: "My subscriber count jumped within six months once I started using AI tools to increase my output from 2 videos per week to 5-6. More content meant better algorithm performance and more brand deals." This example highlights the central role of algorithmic amplification in AI-driven revenue expansion.

AI's broader influence on professional advancement and long-term career trajectories.

3.2.2 Moderate Revenue Improvements

A second group of respondents reported moderate but consistent revenue gains associated with improved workflow efficiency and enhanced professional reputation. Marketing and design professionals noted that faster project turnaround strengthened client trust and increased referral rates, enabling higher project pricing and the expansion of client portfolios. Independent designers using AI for brand storytelling and concept ideation similarly reported securing brand partnerships due to perceived authenticity and strategic differentiation.

Affiliate marketers and product reviewers also reported notable increases in commission-based income after using AI tools to analyse audience preferences and identify high-conversion products. These findings illustrate AI's role in improving recommendation accuracy and optimising sales performance.

3.2.3 Nascent and Anticipated Revenue Gains

Approximately one-third of respondents reported that AI adoption had not yet resulted in measurable revenue increases. Although it was still perceived as strategically valuable. These respondents typically emphasised efficiency gains and professional development rather than immediate financial returns. Some respondents from the consultancy and education sectors highlighted AI literacy as enhancing competitiveness and enabling entry into emerging AI-related service markets.

3.3 Moderating Factors and Heterogeneous Outcomes

The wide variation in revenue outcomes indicates that AI adoption alone does not guarantee economic benefit. Instead, the ability to capture value is shaped by multiple contextual and strategic factors.

(i) Industry Structure and Pricing Power	(ii) Audience Scale and Platform Dynamics	(iii) Skill Complementarity and Human Creative Oversight
Sectoral pricing structures significantly influence revenue realisation. Creators operating in premium service industries, such as corporate video production, advanced design, and music composition, demonstrate	Creators with established audience bases demonstrate stronger correlations between AI-enabled output expansion and revenue growth. Platform algorithms disproportionately reward	Perhaps the most significant moderating factor is the extent to which AI is integrated as a complementary tool rather than a substitute for human creative judgement. Respondents consistently

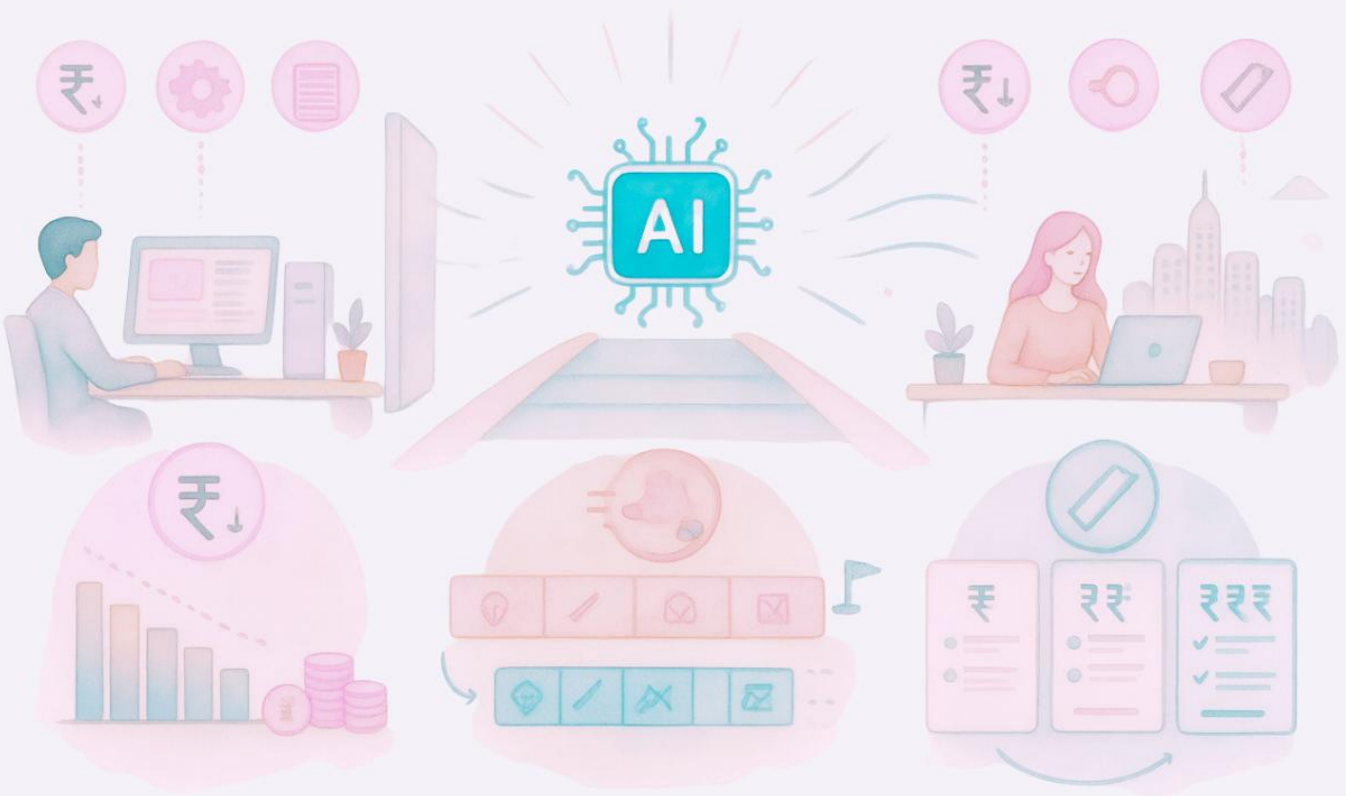
stronger revenue capture from efficiency gains and often achieve substantial increases in per-project earnings. In contrast, creators in highly competitive or commoditised sectors, including general content production and template-based design, tend to experience revenue growth primarily through increased output volume rather than higher per-unit pricing.

consistency and engagement, enabling established creators to convert productivity gains into amplified reach more effectively than creators with smaller or emerging audiences.

emphasised the use of AI for ideation, drafting, and technical execution, while retaining responsibility for narrative development, humour, cultural nuance, and aesthetic refinement. Creators who relied solely on fully AI-generated outputs reported weaker revenue outcomes, suggesting that economic value remains closely tied to human interpretive and curatorial expertise.

AI-Driven Automation

PRODUCTION COST REDUCTION MECHANISMS
PRODUCTION TIMELINE COMPRESSION
PRICING MODEL RESTRUCTURING



“

Automate the work.
Elevate the creativity.
Scale the impact.

AI adoption among creators and creative professionals produces some of its most immediate and measurable economic effects not solely through revenue expansion, but through systematic reductions in production costs and the restructuring of creative labour processes. Empirical evidence from respondent narratives indicates that AI-driven automation alters both the *cost base* of creative work and the *temporal architecture* of production, with downstream implications for pricing models, labour substitution, and market expectations.

4.1 Production Cost Reduction Mechanisms

AI-enabled cost reductions operate across multiple production functions, primarily by displacing or restructuring outsourced labour, compressing the marginal costs of iteration, and converting previously variable costs into fixed, subscription-based expenditures.

4.1.1 Production Capability Internalisation

The most direct and consistently reported mechanism of cost reduction is the partial or complete displacement of specialised external contractors through AI-automated workflows. Respondents across video production, design, music, and publishing sectors reported substituting recurring freelance or agency expenditure with comparatively low-cost AI tool subscriptions.

Across the sample, respondents repeatedly reported the following substitution patterns:

(i) Video Editing and Motion Graphics: Traditionally outsourced at ₹20,000–₹30,000 per month for a dedicated editor, often supplemented by ₹5,000–₹8,000 per video for motion graphics; AI-enabled editing workflows, combining automated cuts, captions, transitions, and motion presets, reduced this cost to ₹2,000–₹5,000 per month in subscription fees. Several respondents with video-centric workflows reported either eliminating or substantially reducing outsourced editing.

(ii) Copywriting and Scriptwriting: Monthly retainers of ₹15,000–₹25,000 for writers were replaced by AI-assisted drafting, ideation, and rewriting tools costing ₹500–₹2,000 per month. Respondents reported reduced dependence on external writers, particularly for first drafts, hooks, captions, and long-form scripts.

(iii) Transcription and Translation: Previously a major budget item, particularly in documentary and multilingual content production, transcription and translation costs ranged from ₹4–5 lakhs per large project. AI-based transcription and localization tools reduced this to nominal subscription costs (₹500–₹2,000 per month). Most respondents producing multilingual or subtitled content reported full displacement of manual transcription and translation services.

(iv) Graphic Design Iterations: Iterative motion graphics and visual experimentation previously cost ₹5,000–₹8,000 per asset or video. Designers increasingly report integrating AI-assisted design tools into their workflows, reducing marginal iteration costs to near-zero beyond subscription fees. Several designers reported meaningful outsourcing reduction.

(v) Music Composition, Mixing, and Mastering: Per-track costs of ₹3,000–₹5,000 for mixing and mastering were replaced with AI-assisted mastering tools costing ₹1,000–₹2,000 per month. More than half of the music creators reported either full replacement or hybrid workflows where AI handles baseline mastering before human refinement.

Collectively, these shifts transform labour-intensive, variable-cost production models into subscription-based, fixed-cost structures, significantly lowering breakeven thresholds for independent creators and small teams.

Case Evidence | Quantified Outsourcing Displacement

Respondent narratives provide concrete quantifications of how outsourcing displacement translates into economic leverage rather than mere cost savings. A video production creator reported previously spending ₹20,000 per month on editing and an additional ₹5,000–₹8,000 per video on motion graphics. By internalizing these functions through AI-assisted workflows, the creator not only eliminated recurring expenses but also made higher output volumes sustainable. The creator explicitly linked this shift to revenue outcomes: “Without AI making that level of output sustainable, I never would’ve gotten that deal.” referring to a ₹25 lakh partnership contract. In this case, cost reduction functioned as an enabling condition for revenue expansion rather than an isolated efficiency gain.

In music production, outsourcing displacement manifests more as *restructuring* than elimination. One producer noted: “I used to hire subject matter experts to review my content. Now AI helps me fact-check and catch errors.” Importantly, this respondent redirected savings toward new roles, hiring freelancers specializing in prompt engineering and AI optimization, occupations that did not exist in their workflow two years earlier. This indicates that AI adoption can simultaneously reduce traditional outsourcing while generating demand for new, higher-skill complementary labor.

A separate music producer quantified annual savings from AI-assisted mixing and mastering at approximately ₹1.5–₹2 lakhs, replacing per-track fees with low-cost subscriptions. These savings directly increased project margins and enabled acceptance of lower-budget or experimental work without compromising profitability.

Further, administrative and documentation functions showed the most extreme displacement effects. A documentary filmmaker reported that transcription and translation alone would have cost ₹4–5 lakhs for a single project. Using AI tools, these costs were reduced to subscription fees, allowing the filmmaker to accept projects with compressed timelines and limited budgets that would previously have been financially infeasible.

4.1.2 Specialised Cost Reductions and Secondary Effects

Certain production functions demonstrate particularly high cost elasticity when automated through AI. These include:

(i) Subtitle Generation and Localisation	(ii) Transcription and Research Analysis	(iii) Photo and Image Editing
<p>Respondents reported substantial time and cost savings from AI-enabled subtitle generation. One creator noted that producing subtitles previously required 2–3 hours per video when undertaken manually, or ₹1,500–2,000 per video when outsourced to external service providers. With AI-based transcription and captioning tools, the same task can now be completed in approximately 15 minutes, with no additional cost beyond existing AI software subscriptions. Over the course of a month, this shift translates into estimated savings of ₹6,000–8,000 on subtitle production alone, alongside significant reductions in editing time.</p> <p>Critically, the secondary effect is strategic rather than purely financial: multilingual distribution becomes viable by default, expanding addressable audiences.</p>	<p>A documentary filmmaker reported using AI tools to transcribe over 60 hours of interviews across multiple regional languages, including Mizo, Khasi, and Nagamese, while also analysing thousands of archival documents. The respondent emphasised that undertaking work at such scale would have been impractical under traditional cost structures, underscoring how AI expands not only operational efficiency but also the scope and ambition of creative projects.</p>	<p>A fashion and lifestyle creator reported reducing batch editing time for 50 photographs from 3–4 hours to approximately 45 minutes. At scale, this translated into reclaimed time equivalent to 20–25 hours per week, exceeding 1,000 hours annually and effectively redefining the creator’s productive labour capacity.</p>

4.2 Production Timeline Compression

Beyond reducing production costs, AI-driven automation fundamentally compresses production timelines, generating nonlinear economic effects.

(i) Hours-to-Hour and Week-to-Hours Compression	(ii) Weekly Time Budget Reallocation
<p>Several respondents reported dramatic shifts from week-long workflows to same-day or even same-hour delivery cycles. One multidisciplinary filmmaker described completing end-to-end projects, including</p>	<p>For creators operating under significant time constraints, AI-enabled compression facilitated participation rather than mere optimisation. One professional-creator hybrid, with only 10–12 hours per week</p>

scripting, storyboarding, music, visuals, in under four hours, compared to traditional timelines of one week or more. This represents an estimated 5-7x acceleration, compressing approximately 168 labour hours into a single working session.

Such compression restructures project economics in two significant ways. First, it substantially reduces internal labour costs. Second, it enables premium pricing for rapid turnaround, particularly for time-sensitive commercial clients. As one respondent summarised: “The production cost has gone down 90%, while the turnaround time advantage has increased significantly.” More granular examples reinforce this pattern: (i) Wedding invitation design timelines reduced from multiple weeks to under a week; (ii) Script and hook generation reduced from 4-5 hours to 1-2 hours; and (iii) Brand proposal development reduced from 8-10 hours to 1-2 hours

available for content creation, reported reclaiming nearly all of that time through AI-assisted planning, captioning, and editing. This enabled the maintenance of sustained parallel careers rather than sporadic content production.

High-volume creators reported even more substantial effects, with monthly planning time reduced from 25-30 hours to 2-3 hours, and editing time reduced from 40-60 hours to 4-5 hours. These efficiencies enabled greater investment into travel, research, and experimentation, thereby expanding creative breadth without increasing labour input. Fashion and lifestyle creators similarly reported reclaiming 18-20 hours per week, reallocating that time towards community engagement and brand negotiations, activities associated with higher revenue elasticity than production itself.

4.3 Pricing Model Restructuring

The combined effects of cost reduction and production timeline compression are exerting pressure on existing pricing norms while creating opportunities for new pricing models.

(i) Rush Delivery Premiums	(ii) Volume-Based Revenue Multiplication	(iii) Demand Expansion Relative to Supply Expansion
<p>AI-enabled speed allows creators to accept rush projects that were previously declined due to infeasible timelines. Music producers and video creators reported taking on 2-3 additional rush projects per month, often priced at a 20-30% premium for 48-72 hour delivery. Fixed-price projects traditionally valued between ₹50,000 and ₹2,00,000 become significantly more profitable as labour inputs</p>	<p>More commonly, creators maintain per-unit pricing while expanding output capacity. A typical pattern observed across respondents includes:</p> <ul style="list-style-type: none"> (i) Per-video pricing remained within the ₹20,000-₹50,000 range; (ii) Monthly production capacity increased from 4 deliverables to 8-10; and (iii) Monthly revenue increased by 100-150% 	<p>Importantly, respondents noted that market demand appears to rise in response to observed productivity gains. One creator observed that client expectations had shifted: <u>“Pre-AI, a copywriter was asked for one blog a day. Now the ask is two or three.”</u> This indicates that AI-driven efficiency gains are partially captured by clients through higher output expectations and faster delivery timelines, while creators derive value through</p>

decline while pricing remains stable or increases modestly.

without proportional expansion in labour inputs.

This model particularly benefits creators with consistent demand and an established platform presence, enabling efficiency gains to translate directly into revenue scaling.

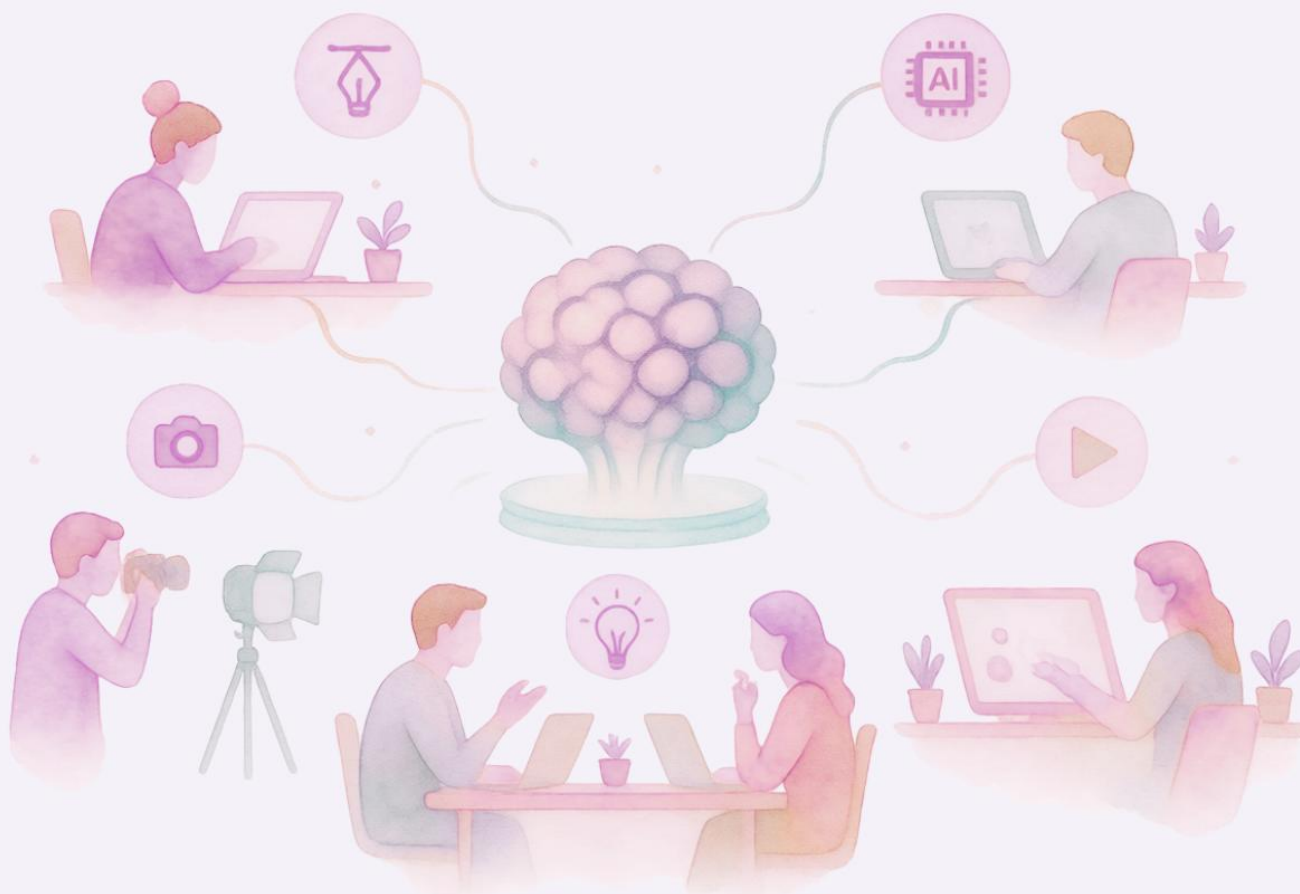
increased volume and retained margins. More broadly, this dynamic reflects a recurring pattern associated with productivity-enhancing technologies, where gains are partially absorbed by demand-side actors through rising output expectations, rather than accruing exclusively to producers.

Taken together, these findings suggest that AI-driven automation does not merely reduce costs; it reconfigures creative labour markets, pricing norms, and expectations of productivity, with gains distributed unevenly across creators, clients, and platforms depending on strategic positioning and skill complementarity.

05

Emerging Monetisation and Collaboration Models

DIRECT LICENSING OF AI-GENERATED AND AI-ASSISTED ASSETS.
HYBRID HUMAN-AI COLLABORATION MODELS.
PLATFORM-INTERMEDIATED MONETISATION MODELS.
INDIRECT ECONOMIC VALUE CREATION



“

AI isn't just lowering barriers—
it's creating new value, new partnerships, and new
possibilities.

Beyond cost reduction and productivity gains, AI adoption is giving rise to qualitatively new monetisation pathways and collaboration structures within the creator economy. Rather than simply enhancing existing revenue streams, AI enables the creation of new asset classes, hybrid service offerings, and platform-mediated value capture mechanisms. Creators can now produce and license AI-generated digital assets, including music tracks, visual elements, templates, and stock content; offer hybrid human-AI creative services at differentiated pricing tiers; and participate in platform-mediated ecosystems where AI tools support production, distribution, and marketplace transactions. In this way, AI is not only optimising traditional creative work but also expanding the range of products, services, and intermediated platforms through which value can be created and captured. Approximately **35.3% of survey respondents** reported actively experimenting with or already benefiting from such emerging models. This indicates a transition from efficiency-driven adoption towards innovation-driven monetisation strategies.

5.1 Direct Licensing of AI-Generated and AI-Assisted Assets

One of the most visible emerging models involves the direct licensing of AI-generated or AI-assisted creative assets. These assets are typically characterised by lower per-unit pricing but substantially higher production velocity, enabling volume-based monetisation strategies that were previously infeasible for individual creators. However, the copyright status of purely AI-generated works remains a contested and evolving legal issue across many jurisdictions.⁵ In several legal frameworks, copyright protection is granted only to works involving substantial human authorship or creative input, meaning that fully automated AI outputs may not always qualify for protection. As a result, many creators position these assets as AI-assisted rather than purely AI-generated, ensuring that human curation, editing, or creative direction remains part of the final output. This hybrid approach enables creators to retain the possibility of copyright protection while simultaneously leveraging the production efficiencies offered by AI tools.

(i) AI-Generated Music and Video Assets	(ii) AI-Enhanced Photography and Visual Assets
Music producers reported growing opportunities to license AI-assisted background music, instrumental stems, ambient soundscapes, and mood-based compositions. The primary mechanism	Fashion, lifestyle, and product creators reported monetisation opportunities through the licensing of AI-enhanced visual content, including styling guides, flatlays, mood boards, and design references. One fashion

⁵ Gaffar H, Albarashdi S. Copyright Protection for AI-Generated Works: Exploring Originality and Ownership in a Digital Landscape <<https://www.cambridge.org/core/journals/asian-journal-of-international-law/article/copyright-protection-for-ai-generated-works-exploring-originality-and-ownership-in-a-digital-landscape/12B8B8D836AC9DDFFF4082F7859603E3>>

enabling this shift is the significant compression of production time. As one producer explained: “For basic background tracks, stems, or mood pieces, what used to take me 4-6 hours now takes 30-45 minutes when I use tools like Suno or AIVA as a starting point.”

These assets are typically licensed to corporate video producers, YouTube creators, indie game developers, advertising agencies, and educational content platforms. While pricing per license is significantly lower, generally ranging from ₹500 to ₹2,000 per track compared to ₹10,000-₹25,000 for custom compositions, the underlying economic logic is based on scale rather than exclusivity. High production velocity enables creators to build extensive libraries of licensable assets, generating recurring revenue through repeated licensing.

A parallel trend is emerging among video creators using AI video-generation tools to produce stock footage, animated backgrounds, transitions, and visual fillers. These assets are increasingly licensed to other creators and agencies, effectively positioning individual creators as micro-stock libraries. Importantly, respondents emphasised that AI-generated outputs are rarely licensed in raw form. Instead, creators apply human curation, selection, and refinement, reinforcing the hybrid nature of these assets.

creator noted: “I create styling guides and outfit flatlays using a mix of real photographs and AI-generated images. My audience engagement has gone up significantly because I can post diverse, high-quality visual content daily instead of struggling to create everything from scratch.”

These visuals are subsequently licensed for use in marketing campaigns, social media templates, e-commerce references, and brand mood boards. The economic significance of this model lies not only in direct licensing revenue but also in increased audience engagement, which amplifies downstream monetisation through sponsorships and affiliate partnerships. In this context, AI functions both as a production accelerator and as a demand amplifier.

5.2 Hybrid Human-AI Collaboration Models

A second category of emerging monetisation involves the explicit restructuring of creative services around a human-AI division of labour. Rather than positioning AI as a replacement for human creativity, respondents increasingly described AI as a visible component of service differentiation. In this context, AI adoption does not simply replace existing labour; instead, it reshapes the composition of creative work. While certain routine tasks decline in importance, new forms of expertise are emerging around the management, refinement, and enhancement of AI-generated outputs. The resulting service models combine machine-assisted production efficiency with human creative oversight, enabling creators to deliver work more quickly and across differentiated pricing tiers while retaining a distinct human contribution to the final output.

(i) Tiered AI-Assisted Creative Services	(ii) AI-Enabled Audience Engagement and Interactive Experiences
<p>Designers, marketers, and creative professionals reported introducing tiered pricing models that distinguish between fully customised human-led work and AI-assisted offerings.</p> <p>This tiered approach enables creators to serve budget-constrained yet design-conscious clients, including early-stage startups, small businesses, and regional enterprises, without undermining premium pricing for high-touch services. Platform intermediaries, such as marketing agencies and design studios, similarly reported margin expansion through these models, as AI-assisted workflows reduce production costs while maintaining perceived value.</p> <p>Crucially, respondents emphasised the importance of transparency. Clients are explicitly informed that AI is used for ideation, prototyping, or reference generation, while final outputs remain human-curated. This framing helps mitigate quality concerns and positions AI as an efficiency enhancer rather than a compromise on quality.</p>	<p>Approximately 35.3% of respondents reported exploring AI-enabled interactive content as a new monetisation frontier. These experiments include personalised recommendations, AI-assisted live streaming with real-time content adaptation, interactive narrative formats, and audience-specific content branching.</p> <p>One creator described using AI to adapt a single content concept into multiple tailored versions: <u>“Instead of making one generic piece of content, I can distribute 10–15 versions that feel native to different audiences, Gen Z versus millennials, and Tier 1 versus Tier 2 cities.”</u></p> <p>Such segmentation enables multiple revenue enhancements. Advertisers are willing to pay premiums for precise demographic targeting, affiliate income increases through audience-specific product recommendations, and subscription models can differentiate pricing tiers based on personalised or segmented content access. In this way, AI enables creators to approximate platform-level personalisation at the scale of an individual creator or a small team.</p>

5.3 Platform-Intermediated Monetisation Models

A third category of emergent monetisation involves platform builders and intermediaries capturing value from AI-enabled creator infrastructure rather than from individual content pieces.

(i) AI Labs and Specialised Creative Service Platforms	(ii) Artisan Platform Ecosystem Development	(iii) Educational and Training-Based Monetization
<p>Several respondents reported establishing dedicated ‘AI Labs’ within agencies or studios to offer</p>	<p>Platform intermediaries working with artisan communities reported using AI for product</p>	<p>Multiple respondents identified growing demand for education and consulting services related to AI tool</p>

AI-generated or AI-assisted creative services to brands. One marketing professional noted that brands such as ‘Fevikol, Airtel, Bajaj, and Being Human approached their AI Lab specifically for AI-generated video content’. This model reflects a form of vertical integration, where agencies move beyond traditional production into AI-specific creative services as a differentiated market offering.

Reported margins for AI-generated content services range from 40–60%, compared to 20–30% for traditional production models. These higher margins are primarily attributed to lower labour costs and faster turnaround times. In this context, AI capability itself becomes a marketable asset, transforming internal efficiency into external revenue generation.

visualisation, market adaptation, and production guidance. AI-generated visual prototypes enable artisans to experiment with contemporary applications of traditional designs, thereby reducing risk and accelerating product diversification.

Revenue models typically involve platforms capturing 15–25% transaction fees on artisan sales while providing AI-powered marketing and production support. Respondents emphasised the importance of mutual value creation: artisans gain access to new markets and higher-value products, while platforms are able to scale transaction volumes without proportional increases in operational overhead.

usage. Emerging roles include educators training creators in the use of AI tools, consultants specialising in workflow optimisation, and specialists in prompt engineering for educational and creative contexts. One respondent reported hiring “three freelancers who specialise in prompt engineering for educational content, a job that didn’t exist two years ago.”

Courses, workshops, and consulting services represent a secondary layer of monetisation in which creators derive value not from the content itself, but from meta-knowledge surrounding AI-enabled production processes.

5.4 Indirect Economic Value Creation

In addition to direct monetisation pathways, respondents documented broader indirect economic effects that are reshaping the creative labour market.

(i) Market Democratisation and New Entrant Formation	(ii) Regional and Language-Specific Market Expansion	(iii) Emergent Freelance and Service Ecosystems
<p>Respondents repeatedly emphasised that AI reduces barriers to entry in content creation: “It is no longer gatekept by skilled experts.” This democratisation expands the creator ecosystem by enabling a wider-range of professionals to build personal brands, create educational content, and</p>	<p>AI-enabled localisation allows creators to serve regional language audiences that were previously economically inaccessible. Respondents reported expanding into Tamil, Telugu, Bengali, Hindi, and Marathi language markets, each representing an additional addressable</p>	<p>Finally, respondents consistently reported that AI adoption generates new forms of labour demand rather than simple displacement. Emerging roles include prompt engineers, AI output curators, workflow specialists, analytics consultants, and community</p>

operate creator-led micro-enterprises. Respondents also highlighted that while this expansion increases competition, it simultaneously enlarges the overall market size and creates new opportunities for collaboration.

market opportunity valued at approximately ₹5–20 lakhs annually. One travel creator reported that viewership from non-metropolitan regions tripled following the adoption of multilingual subtitles, illustrating how AI-driven localisation converts latent demand into monetisable audience reach.

managers. These roles are concentrated around the integration, optimisation, and contextualisation of AI-generated outputs, reinforcing the finding that value creation increasingly depends on human judgement layered over automated generation.

Collectively, these findings suggest that AI is not merely reshaping how creators produce content, but is actively reorganising how creative value is packaged, priced, licensed, and distributed across an expanding ecosystem of individuals, platforms, and intermediaries.

06

Critical Factors and Heterogeneous Outcomes

ADOPTION INTENSITY AND STRATEGIC INTEGRATION.
ASYMMETRIC OUTCOMES | SECTORAL AND GEOGRAPHICAL VARIATION.
SKILL COMPLEMENTARITY AND HETEROGENEOUS ADOPTION.
REVERSE DYNAMICS AND POTENTIAL NEGATIVE OUTCOMES.



“

AI adoption doesn't lead to the same outcomes for everyone.
Context, capability, and strategy make all the difference.

While the preceding sections document substantial aggregate gains associated with AI adoption, empirical evidence from the survey reveals significant heterogeneity in outcomes. Improvements in productivity, revenue generation, and competitive positioning are not distributed evenly across creators. Instead, these outcomes vary systematically according to several moderating factors, including the intensity of AI adoption, the geographic and sectoral contexts in which creators operate, and, most importantly, the degree of skill complementarity between human creators and AI systems. In practice, this means that creators who integrate AI deeply into their workflows while combining it with strong domain expertise tend to capture the greatest benefits. By contrast, creators who use AI sporadically or without clear strategic integration experience more limited gains.

This section synthesises these moderating factors while also highlighting countervailing dynamics that complicate a uniform narrative of AI-driven gains.

6.1 Adoption Intensity and Strategic Integration

Across the sample, revenue and productivity outcomes correlate strongly with both the *frequency* of AI usage and the *depth of strategic integration* within production workflows. Respondents broadly fall into three categories of AI adoption:

(i) Daily AI users (29.4%)	(ii) Several-times-weekly users (35.3%)	(iii) Infrequent users (25.5%)
<p>These respondents reported the most pronounced gains, including 60–90% reductions in production costs, 2–10× compression of production timelines, and the highest observed revenue growth. Importantly, daily users typically integrate AI across multiple stages of production, including ideation, drafting, iteration, localisation, and optimisation, rather than limiting its use to isolated tasks. For this group, AI functions as a core production layer rather than a supplementary tool.</p>	<p>This group reports 30–50% reductions in production costs, moderate improvements in turnaround times, and correspondingly moderate revenue gains. AI adoption within this category is often function-specific, such as scripting, editing, or research, resulting in efficiency improvements without fundamentally restructuring production economics.</p>	<p>Respondents using AI sporadically reported limited cost savings and comparatively modest productivity gains, typically restricted to narrower functions such as transcription or copy editing. For this group, AI remains an assistive utility rather than a transformative production input, and downstream revenue effects are correspondingly limited.</p>

The findings suggest that AI value capture is nonlinear: marginal gains accrue gradually at lower levels of adoption, but accelerate significantly once AI becomes embedded holistically within production workflows.

6.2 Asymmetric Outcomes: Sectoral and Geographical Variation

6.2.1 Sectoral Variation

Sector-specific dynamics further shape the economic impact of AI adoption. Empirical patterns across sectors reveal distinct variations in primary value drivers, cost reduction potential, and revenue outcomes:

<p>(i) Music Production</p> <p>The dominant value driver is rapid turnaround and rush delivery capacity. Cost reductions of 50–70% enable acceptance of high-value, time-sensitive projects, with reported revenue gains of ₹2–6 lakhs per project.</p>	<p>(ii) Video Production</p> <p>AI's primary impact lies in output multiplication and consistency. Cost reductions of 60–90% translate into moderate-to-high revenue gains driven by volume rather than per-unit pricing increases.</p>	<p>(iii) Design Services</p> <p>Rapid prototyping and iteration are the main benefits, yielding 40–60% cost reductions and moderate revenue gains. Widespread adoption reflects both opportunity and caution around creative differentiation.</p>
<p>(iv) Writing and Publishing</p> <p>Gains accrue primarily through output volume rather than pricing power, with 30–50% cost reductions and low-to-moderate revenue impact. Adoption is high, but value capture is uneven due to commoditization pressures.</p>	<p>(v) Localization and Translation</p> <p>This sector shows near-total outsourcing displacement (70–90% cost reduction) and mass adoption, with moderate revenue gains driven by expanded reach rather than direct pricing increases.</p>	

These sectoral differences underscore that the economic effects of AI are mediated by the extent to which speed, scale, or customisation can be monetised within a given market.

6.2.2 Geographic Context

Geographic context emerges as a critical moderator of the economic impact of AI adoption. Creators operating in regional and non-metropolitan markets in India, including cities such as Ooty, or from rural textile clusters, reported disproportionately high relative gains from AI integration. Three key mechanisms explain this asymmetry.

<p>(i) AI tool costs are globally fixed but locally differentiated in impact</p>	<p>(ii) Regional creators face greater variability in outsourcing quality and democratised access benefits</p>	<p>(iii) AI-enabled platform reach expansion generates outsized gains</p>
<p>Subscription fees represent a relatively smaller expenditure in high-income contexts but function as significantly larger productivity multipliers in lower-income and regional markets, where equivalent professional tools or skilled labour were previously inaccessible. For many regional creators, capabilities, such as professional editing software, advanced design tools, or specialised technical services, were historically difficult to access due to cost barriers or limited local availability. AI tools effectively consolidate multiple professional functions within a single affordable subscription, enabling individuals to perform tasks that previously required hiring specialised professionals. As a result, the same fixed-cost tool operates as a high-impact productivity multiplier, allowing creators in regional contexts to access capabilities that were previously concentrated within metropolitan creative industries.</p>	<p>While outsourced services may at times be less expensive than AI subscriptions, they are often characterised by inconsistent availability and uneven quality. AI tools, by contrast, offer more standardised and predictable outputs, thereby reducing coordination friction and mitigating quality-related risks. In this sense, AI reduces both transaction costs and the uncertainties associated with outsourcing, enabling creators to retain greater control over production workflows. One respondent observed: <u>“Small artisan enterprises can now identify their target audiences, run cost-effective advertising campaigns, and reach global customers without depending on large agencies. This democratisation of digital marketing has already started creating new freelance opportunities in areas like product photography, social media management, and digital storytelling, specially for young people in rural clusters who are learning to support artisan businesses locally.”</u></p>	<p>AI enables creators to move from local visibility to regional or national reach through multilingual subtitles, algorithmic optimisation, and scaled content distribution. This represents a structural expansion in addressable markets rather than a merely incremental improvement in audience reach. One platform intermediary working with artisan communities summarised this dynamic: <u>“AI is creating immense indirect economic value in the handicraft and artisan industry by opening new opportunities for marketing, education, and entrepreneurship.”</u> Respondents further noted that this democratisation of digital marketing is catalysing new freelance and micro-entrepreneurial opportunities across these regions.</p>

6.3 Skill Complementarity and Heterogeneous Adoption

Across respondent narratives, the most consistent predictor of high-value outcomes is skill complementarity. AI is typically treated as subordinate to human creative judgment rather than as a substitute for it. High-performing adopters consistently emphasise the importance of curation, iteration, and contextual adaptation.

One comedy writer noted: “I don’t use the AI jokes directly, let’s be honest, it isn’t funny yet, but it gives me 15–20 different angles to start from.” Similarly, a marketing professional describes AI as a cyclical creative partner: “I use it to start, then flesh it out, and then again to evaluate the idea.” A sports content creator highlighted deeper level of adaptation: “I generate different versions of the same story for Hindi versus English audiences, adjusting cultural references and storytelling style, not just language.”

By contrast, respondents who treated AI-generated outputs as finished products reported limited differentiation and weaker revenue outcomes. This pattern reinforces the conclusion that AI augments creative skill rather than replacing it. Economic value continues to emerge from human judgment layered over automated generation.

6.4 Reverse Dynamics and Potential Negative Outcomes

Despite overwhelmingly positive aggregate outcomes, approximately **8% of respondents** reported negative or ambivalent experiences, revealing important reverse dynamics associated with AI adoption.

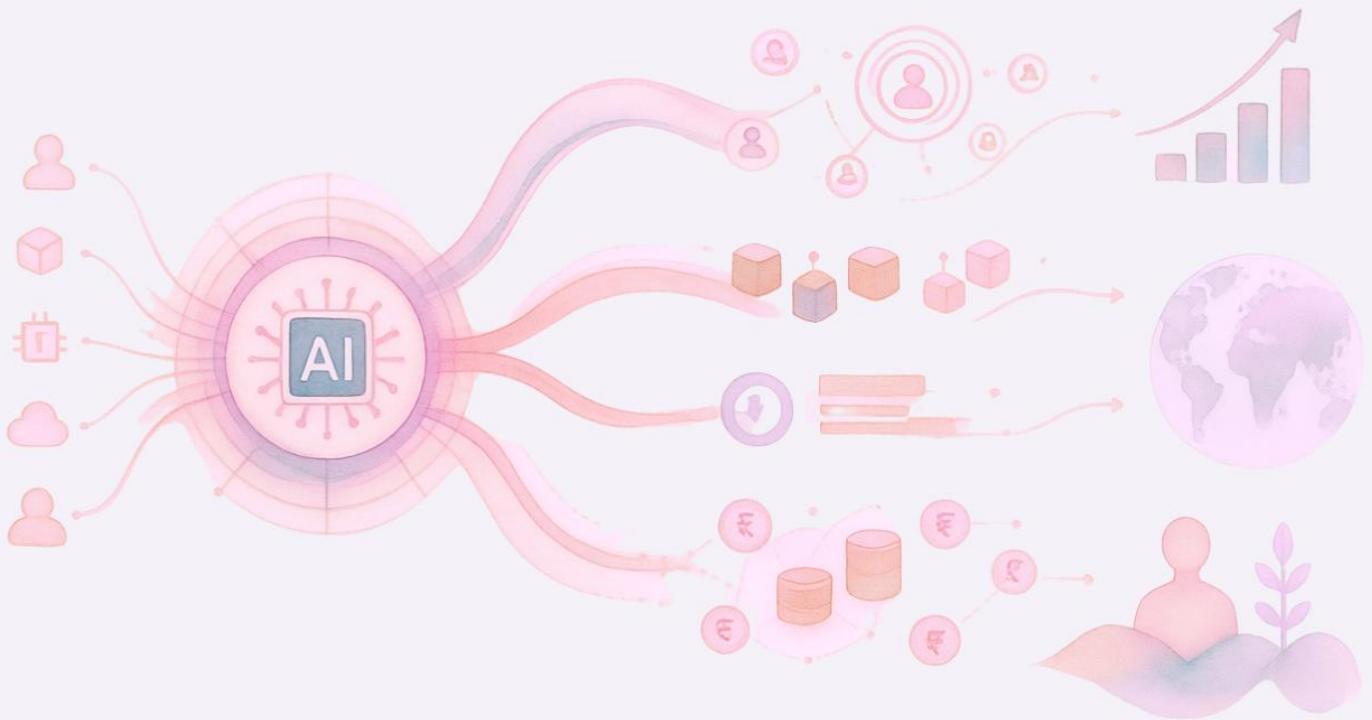
(i) Market Saturation and Declining Content Quality	(ii) Not using AI has become a strategic differentiator
<p>A film and video producer cautioned: <u>“If AI’s role isn’t limited, it risks normalising mediocrity and formula-driven, templated content.”</u> Other respondents similarly reported revenue compression within more commoditised skill markets. One writer noted that AI reduced income from routine writing assignments, necessitating diversification into campaign planning and marketing services to offset these losses.</p>	<p>One creator recounted securing a brand partnership specifically because their content appeared less <u>‘algorithm-optimised’</u> and more authentically human. This suggests the emergence of an authenticity premium within certain market segments, particularly in values-driven industries such as sustainable fashion.</p>

Collectively, these countervailing outcomes highlight the heterogeneity of AI-driven market effects. While AI generates net positive value for most creators, it simultaneously intensifies competition within commoditised segments and elevates the strategic importance of differentiation, positioning, and human creative identity

07

Mechanisms of AI-Driven Economic Transformation

SYNTHESIS OF CORE VALUE-CREATION PATHWAYS.
DISTRIBUTIONAL IMPLICATIONS AND HETEROGENEOUS OUTCOMES.
LABOUR MARKET IMPLICATIONS.
MARKET-LEVEL RESTRUCTURING AND CREATOR ECONOMY GROWTH.



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AI isn't just changing how we create-
it's changing how value is created, distributed, and sustained.

The empirical findings collectively indicate that the economic impact of AI on creative work is neither singular nor linear. Instead, value creation emerges through a set of interlocking mechanisms operating at the level of individual creators, collaborative production systems, and platform-mediated markets. This section synthesises these mechanisms, examines their distributional consequences, and situates the findings within broader labour and market restructuring dynamics.

7.1 Synthesis of Core Value-Creation Pathways

Across respondents, three primary but interconnected pathways explain how AI translates technical capability into economic outcomes. These pathways operate multiplicatively rather than independently, producing compounding effects for creators who integrate AI strategically within their workflows.

(i) Discoverability and Revenue Multiplication	(ii) Production Efficiency and Economic Restructuring	(iii) Monetisation Model Innovation
<p>The first pathway operates through enhanced discoverability rather than direct monetisation. AI does not generate revenue autonomously; instead, it enables creators to produce content at greater scale, target audiences more precisely, and distribute content across linguistic and regional boundaries. Increased output frequency generates algorithmic advantages within platform-based ecosystems, while personalisation and localisation strengthen audience engagement.</p> <p>Based on our findings, AI adoption increases (i) Output, through automation and workflow acceleration, (ii) Audience size, via multilingual adaptation and audience segmentation; and (iii) Engagement quality, through improved personalisation and</p>	<p>The second pathway operates through the restructuring of production economics. AI reduces variable costs by displacing outsourced labour and significantly compresses production timelines. These shifts affect not only operational efficiency but also strategic capacity.</p> <p>Creators reported an increased ability to:</p> <p>(i). accept rush projects that were previously unfeasible due to time constraints; (ii). increase project throughput without proportional expansion in labour inputs; (iii). reallocate time from routine execution towards strategic, creative, and relational activities; and (iv). build multidisciplinary skill sets that were previously</p>	<p>The third pathway reflects qualitative changes in how creative work is monetised. AI enables the emergence of new asset classes, such as licensable AI-assisted music and visual content); new service tiers, including AI-assisted creative offerings; and new intermediation models, where platforms provide AI-enabled infrastructure and training. These developments represent an expansion of the revenue frontier rather than the substitution of existing income streams.</p> <p>Creators are increasingly operating across layered revenue structures: (i) Primary revenue from traditional projects and commissions; (ii) Secondary revenue from asset licensing at lower per-unit prices but higher volume; (iii) Tertiary revenue from audience segmentation and engagement premiums,</p>

relevance (moderate but consistent improvements). These effects interact multiplicatively rather than additively, producing compounding gains for creators with sustained and strategic AI integration

impractical for solo practitioners.

including targeted sponsorships and tiered subscriptions; and (iv) **Quaternary revenue** from platform services, consulting, and education

This diversification reduces income volatility and increases resilience to pricing compression within any single revenue segment.

7.2 Distributional Implications and Heterogeneous Outcomes

Despite strong aggregate gains, AI value capture remains unevenly distributed, producing distinct winner–moderate–loser dynamics across the creator economy.

(i) High-Adoption Early Movers in Growth Sectors

The most substantial gains accrue to early adopters within growth-oriented sectors such as music production, video creation, and design. Creators who adopted AI tools intensively during 2024–2025 and integrated them deeply into daily workflows reported significant annual income gains alongside 60–90% reductions in production costs. These creators benefit from first-mover credibility, comparatively lower competitive pressure (as AI specialisation remains uneven), and growing client demand for AI-enabled capabilities.

(ii) Moderate Gainers in Volume-Driven Segments

Established creators with significant platform followings, particularly those exceeding 20,000 followers in marketing, publishing, and visual content, reported moderate but consistent gains. For these creators, AI primarily amplifies existing reach: increased publishing frequency compounds with algorithmic authority, resulting in revenue growth. While these gains are less dramatic than those observed among early movers, they tend to be more stable due to existing audience trust and platform presence.

(iii) Ambiguous or Negative Outcomes in Commoditised Segments

Creators operating within more commoditised segments, including general copywriting, basic editing, and template-based design, reported more ambiguous outcomes. Increased competition and substitutability exert downward pressure on per-unit pricing, and in some cases, contribute to revenue decline. Within these segments, competitive differentiation increasingly shifts away from technical

(iv) Emergence of an Authenticity Premium

Paradoxically, a minority of creators reported that explicitly *limiting* or *avoiding* AI use has itself become a market differentiator, particularly within values-driven domains such as sustainability, craftsmanship, and cultural storytelling. These findings suggest an emerging bifurcation within creative markets: (i) An **efficiency-optimised segment** characterised by high-volume, AI-enabled production and lower per-unit pricing; and (ii) An **authenticity-premium**

execution towards voice, perspective, and contextual insight. This transition poses particular challenges for creators whose value proposition was previously centred primarily on executional capability.

segment characterised by lower-volume, human-centric creation, and higher per-unit pricing

Rather than producing a uniform displacement effect, AI appears to be stratifying creative markets along efficiency–authenticity lines.

7.3 Labour Market Implications

The findings suggest that, at present, AI adoption does not appear to be resulting in net job loss within creative sectors. Instead, it is contributing to a gradual reconfiguration of the composition, organisation, and distribution of creative labour.

(i) Skill Displacement and Recomposition	(ii) Geographic Redistribution of Opportunity
<p>Routine, execution-focused roles, including junior copywriters, basic editors, transcriptionists, and production-oriented designers, are experiencing declining demand. Simultaneously, new roles are emerging around AI integration, including prompt engineers, AI output curators, workflow architects, platform managers, analytics specialists, and human–AI collaboration directors. The net effect is a shift towards higher-skill roles that emphasise judgement, curation, and strategic direction.</p>	<p>AI disproportionately benefits creators operating in regional and Tier 2/3 cities by reducing location-based disadvantages. Globally priced AI tools narrow historical gaps in access to professional software and creative infrastructure, while multilingual localisation enables direct access to national and global audiences without reliance on centralised systems. As a result, geographic location becomes less predictive of creative economic opportunity.</p>

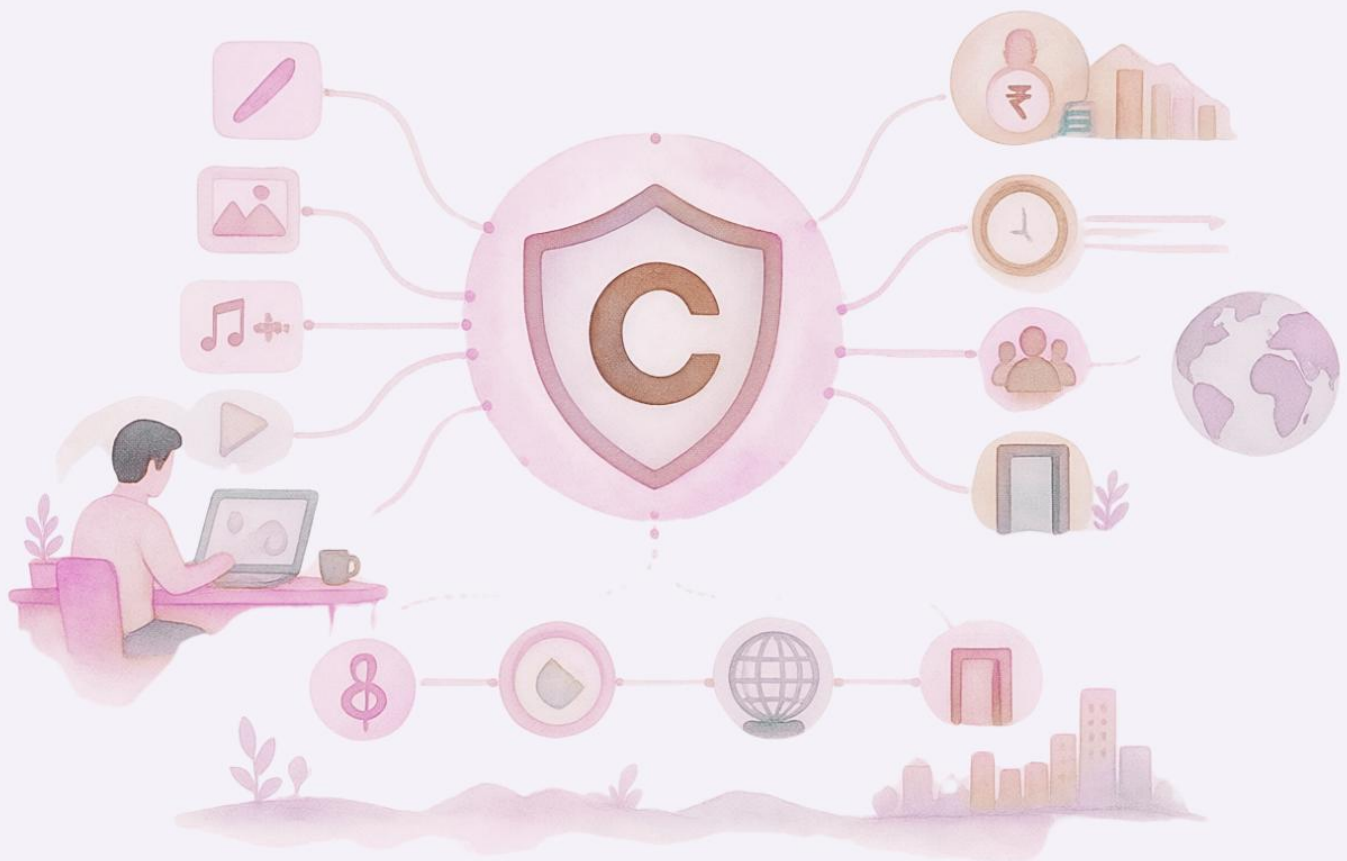
7.4 Market-Level Restructuring and Creator Economy Growth

At the macro level, the findings are consistent with the view that AI is catalysing the expansion of the creator economy. Lower barriers to entry increase the number of market participants, regional language accessibility expands over market size, and greater time efficiency enables the growth of hybrid-professional-creator careers. Simultaneously, platform intermediaries are developing new high-margin business models centred around AI-enabled services and infrastructure. Collectively, these dynamics suggest that AI is not merely reallocating value within the creator economy but actively expanding the broader economic space within which creative work operates.

Implications for Copyright and Market Access

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Technology that lowers barriers and expands access strengthens both creators and the creative economy.

Fair policies and open access can unlock a more inclusive creative future.

The findings from this study highlight several productive and efficiency-enhancing use cases of GenAI within creative workflows, many of which intersect with ongoing debates surrounding copyright and innovation policy. Empirically, the most immediate economic impact observed among creators is not the wholesale replacement of creative labour, but rather systematic reductions in production costs and the restructuring of creative workflows. Respondents consistently reported that AI tools automate time-intensive and repetitive production tasks, thereby compressing timelines and reducing reliance on outsourced services. These shifts alter both the cost structure of creative production and the temporal architecture of content creation, enabling creators to produce greater output at lower marginal cost. In practical terms, the ability to generate drafts, iterate quickly, and automate technical production stages reduces the financial and logistical barriers that have historically constrained independent creators.

From a copyright policy perspective, these findings introduce an important additional dimension to the debate. Copyright systems have traditionally been justified, in part, as mechanisms for incentivising creative production by enabling creators to recover the costs associated with producing and distributing creative works. However, when emerging technologies substantially reduce these underlying costs, the economic rationale for certain forms of protection may require reconsideration or recalibration. If creators are able to produce drafts, prototypes, and even finished assets at a fraction of their historical cost, the risks associated with experimentation and creative production decline significantly, enabling broader participation in creative markets. In this sense, AI-driven cost compression may partially mitigate some of the structural barriers that copyright regimes historically sought to address.

A related development concerns the potential reduction in dependence on traditional distribution intermediaries. Digital platforms and AI-enabled tools increasingly allow creators to produce, package, localise, and distribute their work directly to audiences without relying on intermediaries such as studios, production houses, or specialised post-production services. By enabling functions such as automated localisation, captioning, marketing content generation, and audience segmentation, AI tools allow creators to independently manage stages of production and distribution that previously required institutional support. This process of disintermediation further reduces the overall cost of bringing creative work to market, particularly for creators operating outside large-scale production ecosystems. In practical terms, fewer intermediaries translate into lower coordination costs, faster production cycles, and greater control over revenue streams.

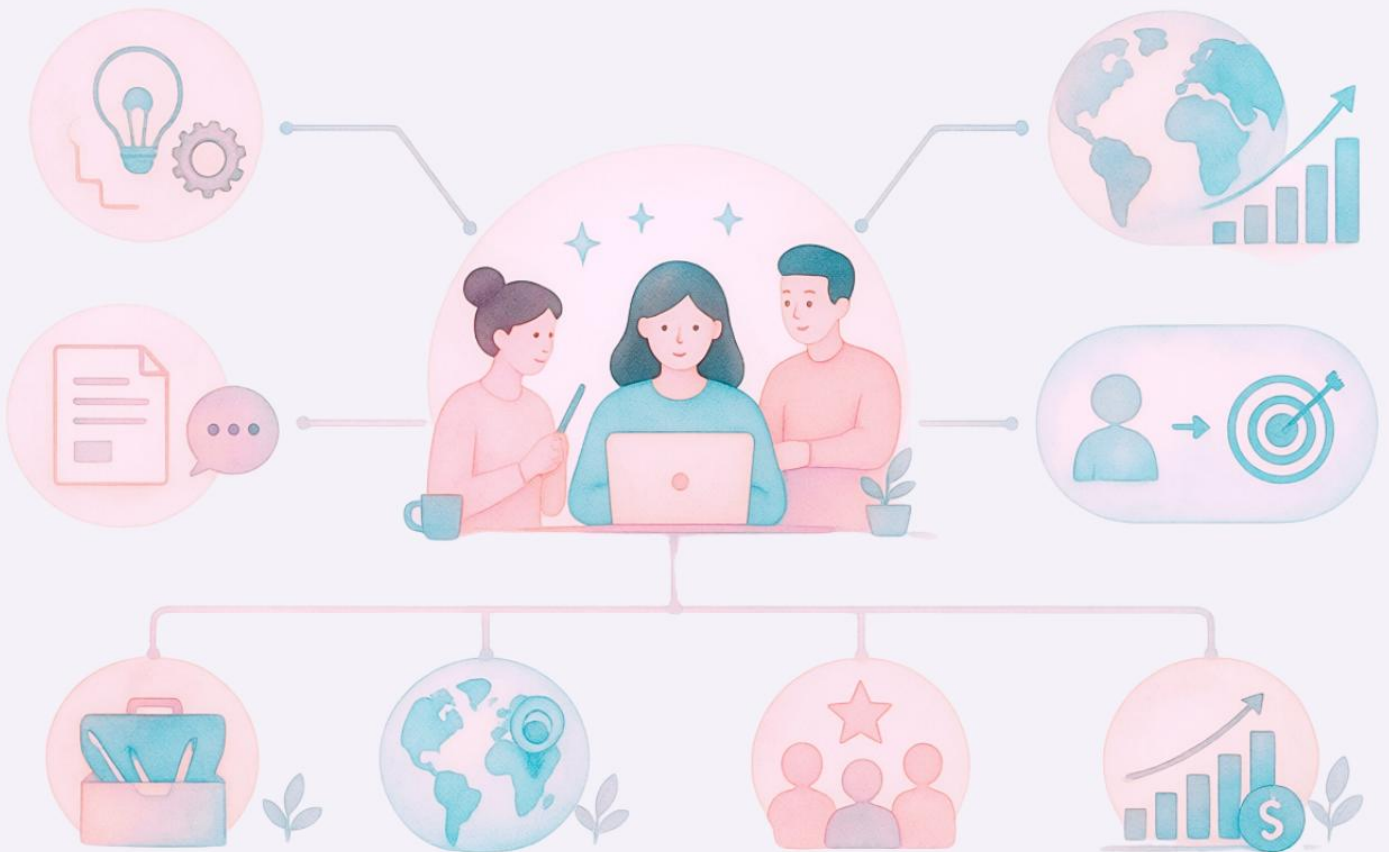
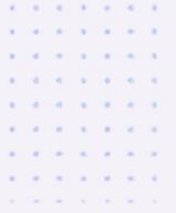
Efficiency improvements represent perhaps the most significant economic mechanism highlighted by this study. AI adoption enables creators to compress production timelines, automate routine tasks, and redirect human effort towards higher-value creative decision-making. Importantly, this aligns with a broader policy objective historically associated with intellectual property systems: the promotion of efficient and socially beneficial production and dissemination of creative works. If copyright regimes aim to incentivise the creation and dissemination of knowledge and culture, then technologies that materially increase the efficiency with which creative works are produced and distributed arguably advance similar

goals. In this sense, generative AI may be understood not merely as a disruptive force within copyright debates, but also as a market efficiency-enhancing technology that expands both the scale and accessibility of creative production.

The geographic evidence emerging from this study further strengthens this argument. Respondents from regional and non-metropolitan contexts reported particularly strong productivity gains from AI adoption, as these tools enabled access to capabilities that were previously concentrated within major urban creative centres. By reducing dependence on expensive software, specialised labour, and centralised production infrastructure, AI tools enable creators in smaller cities and rural regions to participate more effectively in digital creative markets. In doing so, AI contributes to narrowing the digital divide within creative economies, enabling a broader range of individuals to produce, distribute, and monetise creative work.

Taken together, these findings suggest that GenAI is reshaping the economics of creativity by lowering barriers to entry, reducing production and coordination costs, and enabling more decentralised forms of creative participation. While these developments do not eliminate the relevance of copyright frameworks, they do demonstrate how technological shifts in production efficiency may alter some of the economic assumptions underpinning traditional copyright rationales. At the same time, the Indian evidence presented in this study illustrates a broader global implication: AI has the potential to expand access to creative production and digital markets across regions that have historically faced structural disadvantages. In this sense, the observed impacts support a wider policy argument for broad international access to AI technologies, as their diffusion can play an important role in democratising participation within the global creative economy.

Conclusion



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AI empowers creativity.
The future is human + AI.

While the outcomes remain highly heterogeneous, shaped by sectoral specialisation, adoption intensity, existing market positioning, and skill complementarity, the evidence suggests that AI augments rather than replaces creative skill. The greatest value capture occurs where human creative direction and judgement guide the use of AI tools. Market-level effects appear to be net positive, with AI catalysing creator economy expansion through democratised access to tools, regional market growth, and the emergence of new professional categories.

These findings contrast with displacement-centric-narratives that currently dominate policy discourse. Rather than producing widespread job loss, the evidence points towards labour market recomposition, with demand shifting towards higher-skill roles centred on curation, judgement, strategic direction, and human oversight, while routine execution-oriented tasks decline in importance. Overall, the creator economy appears positioned for net expansion, driven by improved accessibility, market size expansion, and enhanced professional feasibility through AI-augmented models of creative work.



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Jameela Sahiba is Associate Director at The Dialogue, where she leads the think tank's work on Artificial Intelligence and manages the Secretariat of the Coalition for Responsible Evolution of AI (CoRE-AI). A law graduate from Symbiosis Law School, Pune, and Masters in Law from Jindal Global Law School, she has 8+ years of experience in policy and legislation, including her previous role as Chief of Staff to a Member of Parliament in India.



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