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Press release

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Deloitte Global TMT Predictions: The revolution has begun - Artificial Intelligence gets very real through machine learning and augmented reality experience

- Enterprise machine learning pilots and deployments predicted to double this year, powered by new chips and better software tools
- In 2018, 50% of adults will have at least two paid digital subscriptions, and by the end of 2020, this will have doubled to four paid subscriptions
- The decline of traditional TV viewing among young people is slowing due to the saturation of distracting technologies like smartphones, social media, and video piracy
- Over a billion smartphone users will create augmented reality (AR) content at least once in 2018

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2018 will be a historic year for technology, media and telecoms, according to the "Technology, Media & Telecommunications (TMT) Predictions" report from Deloitte. The global professional services firm predicts that many new milestones will be reached next year, and while some developments will be exponential, other changes will occur almost unnoticed.

Deloitte forecasts major strides in machine learning for the enterprise, a worldwide appetite for digital subscriptions among consumers, no tipping point in TV viewing trends for youngsters and continued smartphone adoption as part of the 17th edition of the report.

Vincent Fosty, Deloitte Belgium Technology, Media & Telecommunications Leader: "Every year Deloitte predicts the biggest trends in technology, media and telecommunications. This year, we predicted – and are seeing – some really revolutionary changes in terms of making artificial intelligence a reality through machine learning and creating immersive experiences for consumers through augmented reality, or AR."

Adoption of machine learning in the enterprise is poised to accelerate

One of the most exponential trends affecting businesses will be machine learning, a form of artificial intelligence that provides systems the ability to automatically learn and improve from experience without being explicitly programmed. This year's report indicates that businesses will likely double their use of machine learning technology by the end of 2018, and it's expected to double again by 2020. TMT Predictions highlights five key areas that Deloitte believes will unlock more intensive use of machine learning in the

enterprise by making it easier, cheaper and faster: automation, data reduction, training acceleration, model interpretability and local machine learning.

"While many Belgian organisations have invested over the past two decades in serious data science initiatives, there's recently been a visible increase in urgency and intensity," said Andrew Pease, senior director for technology at Deloitte. This investment, he argues, is necessary to keep traditional enterprises relevant and competitive in the start-up era. "In the last two years we've seen more large organisations put a chief data officer or chief analytics officer on the managing board to make the most of artificial intelligence potential, establish processes to be automated and determine which innovation areas still remain untapped."

Consumers are willing to pay for digital media

Indicating an increasing willingness from consumers to pay for digital content, Deloitte predicts that by the end of 2018, 50 percent of adults in developed countries including Belgium, Germany and the Netherlands will have at least two online-only media subscriptions (paid news subscriptions or services like Netflix or Spotify), and by the end of 2020, the average will have doubled to four.

Devices that facilitate access to online media subscription services, steadily rising broadband speeds, and ease of signup have made online-only subscriptions more viable and easy to use. Deloitte's study estimates that the majority of digital subscriptions will cost less than €10 per month.

Augmented reality, a daily reality

Augmented reality (AR), a special effect that combines digital animations to real images has been around for decades, but Deloitte sees this technology becoming mainstream. Over a billion smartphone users will likely create AR content at least once in 2018, with at least 300 million doing so monthly, and tens of millions weekly, according to Deloitte.

While AR is not new to 2018, what differs is quality and its ability to generate revenue. Deloitte predicts that AR applications will generate at least $100 million in 2018. The advances in AR technology allow for greater precision when identifying surfaces, ultimately making products look right at home in consumers homes through smartphone applications that show them what things will look like before they buy them. Looking ahead, AR should enable users to feel even more as if they are living the experience.

An adlergic epidemic? Adblocking across media

Deloitte predicts that ten percent of North Americans over 18 will be engaged in four or more multiple simultaneous ad blocking behaviors in 2018: we call these people "adlergic." People are adblocking on computers and mobile devices, but are also blocking or avoiding ads using smart TVs, digital video recorders, streaming video on demand and streaming music services. And there are also low-tech ad blocking methods like changing the channel on TV or stations on the radio.

However, it appears that almost nobody blocks all ads. The ad categories that cannot be easily blocked are likely to be the fastest growing ad categories for the next few years. For advertisers eager to get around adblockers, the most obvious and biggest places to focus should be mobile and social. Being adlergic is a big deal: the most adblocking is being done by those who are younger, with higher incomes and more education – the exact profiles whose attention is coveted by advertisers.

Stable decline in TV viewing by 18-24 year olds but no tipping point

Traditional TV viewing by 18-24 year-olds is predicted to decline by 5-15 percent per year in the US, Canada, and the UK in 2018 and 2019. This rate of decline is a similar rate to the prior seven years and is not getting worse. The report estimates that 18-24 year olds globally will watch at least 80-120 minutes of TV per day in 2018 depending on the seaon.

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Many forces that distracted young people away from traditional TV, such as smartphones, social media, and video piracy, are reaching saturation in the three large English-speaking markets.

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About the report

Now in its 17th year, Deloitte Global's annual TMT Predictions provide an outlook on key trends over the course of the next 1-5 years in the technology, media and telecommunications industry sectors worldwide.

Deloitte in Belgium

A leading audit and consulting practice in Belgium, Deloitte offers value added services in audit, accounting, tax and legal, consulting and financial advisory services.

In Belgium, Deloitte has more than 3,800 employees in 11 locations across the country, serving national and international companies, from small and middle-sized enterprises, to public sector and non-profit organisations. The turnover reached 480 million euros in the financial year 2017.

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