

TMT predictions 2016



Looking to the future for technology, media and telecommunications

There's an exciting year ahead for the technology, media and telecommunications (TMT) sectors, says the latest edition of the Deloitte industry predictions. Based on thousands of interviews with industry leaders and consumers, the Deloitte TMT Predictions report highlights emerging trends that could have significant impact across many sectors.

Technology

Thinking computers will become much more common in the enterprise sector in 2016, Deloitte predicts. Cognitive technologies will be integrated into products from 80% of the leading enterprise software companies, specifically: machine learning, natural language processing and speech recognition.

Deloitte anticipates that up to 50 million people will be using touch commerce on their mobile devices this year—an increase of 150 percent. Yet while they love their smartphones, trailing millennials (aged 18-24) are predicted to be the age group with the highest levels of PC ownership.

Less positively, it's predicted that women will continue to make up less than 25 percent of the IT workforce in developed countries. It's more than an issue of education—broader change is needed in recruitment and retention practices.

2016 is predicted to be the year we glimpse the potential of wonder material Graphene. It could transform our world in the decades ahead.

Media

Virtual reality (VR) will have its first billion dollar year in 2016, Deloitte forecasts. The initial focus will be on video games. Alongside this, eSports revenues are anticipated to grow by 25 percent, as watching other people play video games becomes more common.

Those concerned about the impact of ad-blockers on advertising will be reassured by Deloitte's expectation that less than 0.3 percent of mobile device owners will use an ad-blocker in 2016.

Telecommunications

As the volume of smartphones builds, so the trading of used devices will become more organised in 2016, Deloitte predicts. The market could be worth \$17 billion, with the potential to spawn new companies as it becomes more formalised.

Marketers and others should consider how smartphones are arguably shaping the way we communicate, particularly through image sharing. This is expected to increase by 15 percent, with up to 2.5 trillion images being shared or stored online in 2016.

Organisations looking for competitive differentiators understand the value of knowing what is coming next. Vincent Fosty, Deloitte Belgium TMT Leader, said: "These predictions, combined with our insight, will help to inform strategic thinking in the year ahead."

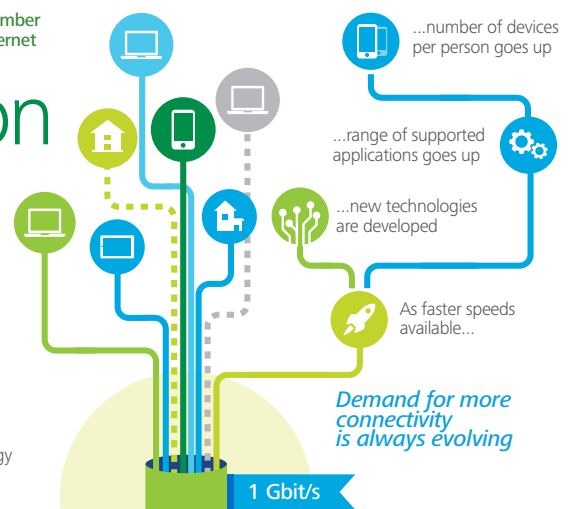
Deloitte Global predicts that the number of Gigabit per second (Gbit/s) Internet connections will increase to

10 million

by end-2016, a tenfold increase, of which about **70% will be residential connections**

Factors for demand:

- ✓ Increase in devices requiring bandwidth
- ✓ Affordability
- ✓ Development of fiber technology (able to deliver Gbit/s speeds)





Duncan Stewart (Deloitte Canada)



The buzz about VR is definitely shifting: most people expect 2016 to be about gaming, but there is a lot of interest in enterprise applications. But not many expect us to be wearing VR goggles for hours per day to watch regular TV and movies.

Cognitive technologies have stayed on the front pages. Whether it is machine learning algorithms beating the world champion at Go, or growth in chat bots powered by natural language processing, cognitive continues to be top of mind for CIOs.

That young people 18-24 years old love using their laptops is resonating in all global markets. Network operators are worrying about providing all that bandwidth for Gen Y watching videos on their laptops, and financial companies are trying to figure out how to go mobile first, while still allowing people to bank on laptops when they prefer doing it that way.

Everybody is excited about touch commerce: being able to pay on your mobile device with one tap of your finger will be transformative. But we are also having good conversations about using that kind of technology to autocomplete all kinds of information: not just for online shopping, but for governments, education, and even enterprises.

The problem around gender diversity in IT resonates in every market: no country is doing well at getting even 25 percent of IT roles filled by women. One emerging focus is around culture – although most men in IT departments are great people, even one bad apple can drive women out and keep them away.

#TMT*predictions*

www.deloitte.com/TMTpredictions