



## PRESS RELEASE

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### **Deloitte Global TMT Predictions: Live Events, On-Demand Content Attract Consumers as Machine Learning Jump-starts Business Growth**

- *Enterprise machine learning pilots and deployments predicted to double this year, powered by new chips and better software tools*
- *By 2020, there will likely be over 680 million digital subscriptions, with consumers increasingly willing to pay for content*
- *Smartphone sales expected to reach 1.85 billion per year by 2023, equivalent to over five million units sold per day*
- *Smartphone owners will likely interact with their phone on average 65 times per day in 2023, a 20 percent increase on 2018*
- *China will likely remain the largest market for live streaming at \$4.4 billion in 2018, an 86 percent increase from 2016*

**New York, Moscow, 13 December 2017** – Deloitte Global forecasts major strides in machine learning for the enterprise, a worldwide appetite for digital subscriptions among consumers, and ongoing smartphone dominance—along with eight additional predictions—as part of the 17<sup>th</sup> edition of the "Technology, Media & Telecommunications (TMT) Predictions."

Among the findings pertaining to the enterprise, this year's report indicates that business organizations will likely double their use of machine learning technology by the end of 2018. TMT Predictions highlights five key areas that Deloitte Global believes will unlock more intensive use of machine learning in the enterprise by making it easier, cheaper and faster.

The most important key area is the growth in new semiconductor chips that will increase the use of machine learning, enabling applications to use less power, and at the same time become more responsive, flexible and capable.

"We have reached the tipping point where adoption of machine learning in the enterprise is poised to accelerate," said Paul Sallomi, Deloitte Global Technology, Media & Entertainment, and Telecommunications, Industry leader.

**Olga Tabakova, Partner and TMT Leader at Deloitte CIS, said:** Today, the TMT industry is going through an unprecedented change and is emerging as a major driver of the global economy. Even now, we can see companies launching projects and developing technologies that employ machine learning techniques based on new chips and software. In 2018, the CIS markets are likely to follow the global trends, with smartphones maintaining their dominance, the growth of live streaming on the back of decline in TV viewership among youth and the wider use of ad-blocking software.

#### **Live content in an online world and digital media worth paying for**

TMT Predictions includes a number of consumer forecasts as well. Deloitte Global predicts that live broadcast and events will generate over \$545 billion in direct revenues in 2018. Despite consumers'

capability to consume content on demand or attend events remotely, live consumption is thriving. And in many cases, live content's performance has been made more productive and profitable by digital.

Indicating an increasing willingness from consumers to pay for digital content, Deloitte Global also predicts that by the end of 2018, 50 percent of adults in developed countries will have at least two online-only media subscriptions, and by the end of 2020, the average will have doubled to four.

"Digital's rise has augmented not dented the public's appetite for media, which in 2018 will likely include over half a trillion dollars' worth of all forms of live content," said Mark Casey, Deloitte Global Media & Entertainment Sector leader.

## The future of the smartphone

Smartphone adoption continues to grow. By the end of 2023, more than 90 percent of adults in developed countries are expected to have a smartphone, with ownership among 55-75 year-olds reaching 85 percent. And Deloitte Global predicts that owners will interact with their phones on average 65 times per day in 2023, a 20 percent increase on 2018.

At the same time, Deloitte Global predicts 45 percent of global adult smartphone users and 65 percent of 18-24 year olds will worry that they are using their phones too much for certain activities and may try to limit their usage in 2018.

"As smartphones continue to be a big part of our professional and personal lives, we are finding more of a balance and etiquette, especially in our personal lives, even as we continue to experience more opportunities in this exciting mobile ecosystem," said Craig Wigginton, Deloitte Global Telecommunications Sector leader.

Additional topics from Deloitte Global's 2018 TMT Predictions include:

- **Augmented reality on the cusp of reality** – Over a billion smartphone users will likely create augmented reality (AR) content at least once in 2018, with at least 300 million doing so monthly, and tens of millions weekly, according to Deloitte Global.
- **Mobile only wireless home internet** – For 2018, Deloitte Global forecasts that one fifth of North American homes will get all of their internet data access via cellular mobile networks. There will be significant variations by country, however. In Brazil, for example, nearly a third of all homes will be mobile only, but only 10 percent in some European countries. The differences between geographies are due to a range of technological, economic and demographic factors.
- **An increase in #adlergic** – While three quarters of North Americans engage in at least one form of regular adblocking, only about 10 percent of this population engages in blocking ads in four or more ways – the "adlergic" population. Consumers who are young, highly educated, employed, and have higher incomes are more likely to be heavy adblockers.
- **TV viewing by 18-24 year olds: stable declines, but no tipping point** – Deloitte Global predicts that traditional TV viewing by 18-24 year-olds will 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. Many forces that distracted young people away from traditional TV, such as smartphones, social media, and video piracy, are reaching saturation.
- **In flight connectivity takes off** – One billion passenger journeys, or one quarter of all passengers, are expected to be on planes fitted with in-flight connectivity (IFC) in 2018, according to Deloitte Global. This is an estimated 20 percent increase from projected 2017 totals, generating IFC revenue close to \$1 billion for 2018.

Now in its 17<sup>th</sup> 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.

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## **About Deloitte CIS**

With over 263,900 employees, Deloitte has grown to be one of the largest professional services firms worldwide with a presence in over 150 countries. Deloitte offers unrivalled depth, breadth and quality of professional expertise to serve the needs of clients across various industry sectors.

Deloitte CIS is one of the leading international professional services firms that offers audit, consulting, corporate finance, enterprise risk, and tax and legal services leveraging professional experience of approximately 3,700 employees in 19 offices of 11 countries across the region. Today, Deloitte has offices in Moscow, St. Petersburg, Ufa, Yekaterinburg, Yuzhno-Sakhalinsk and Novosibirsk in Russia, Kyiv in Ukraine, Minsk in Belarus, Tbilisi in Georgia, Baku in Azerbaijan, Aktau, Almaty, Astana and Atyrau in Kazakhstan, Bishkek in Kyrgyzstan, Tashkent in Uzbekistan, Dushanbe in Tajikistan, Ashgabat in Turkmenistan and Yerevan in Armenia.