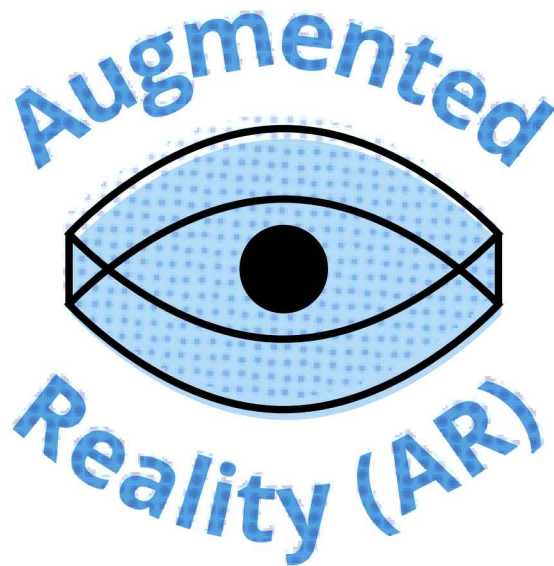


Augmented reality: on the cusp of reality

Deloitte Global predicts that in 2018

**OVER
ONE
BILLION**

smartphone users
will create content
once with...



300 million
monthly creators

**Tens of
millions**
weekly creators

Direct revenues
by 2020

\$1bn

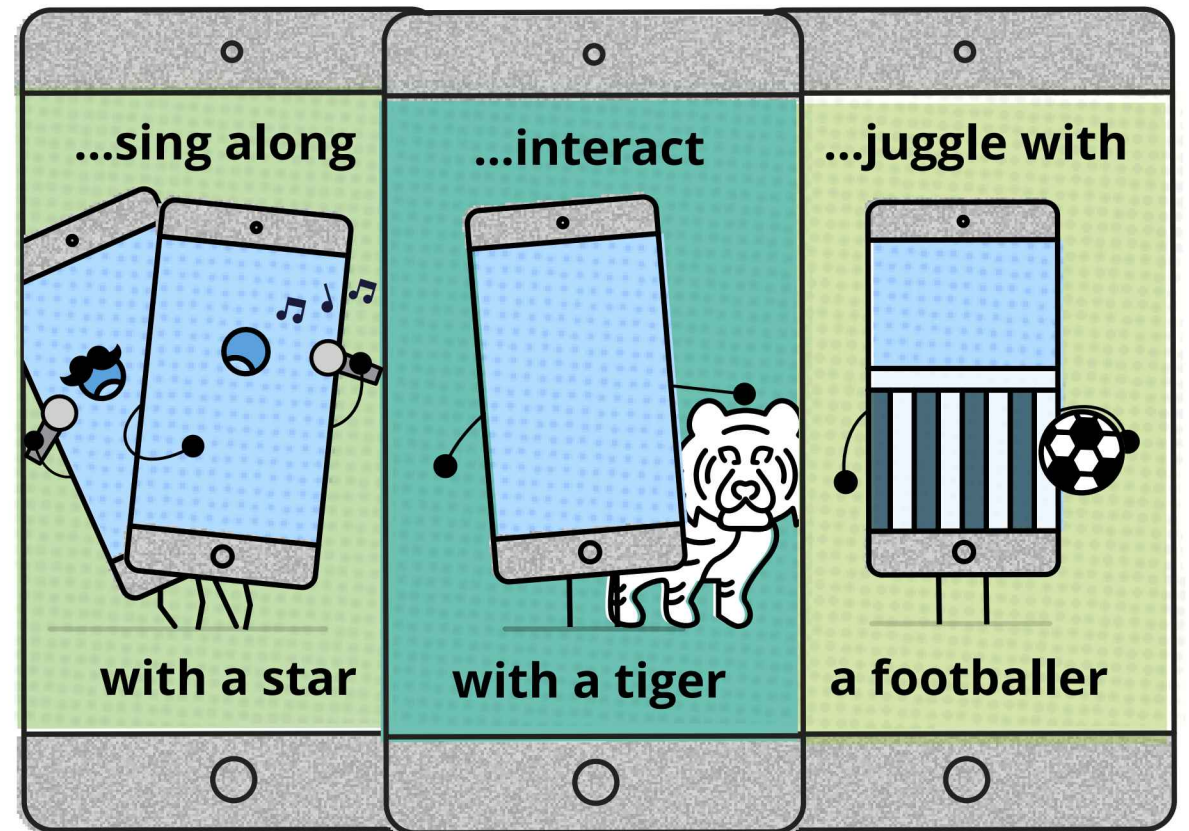
x10
revenue of 2018



**AR IS
NOT NEW** but has an
improved photo
realistic quality

Pre 2018
only used for
face filter
selfies

Now you can...



The future of the smartphone: the era of invisible innovation

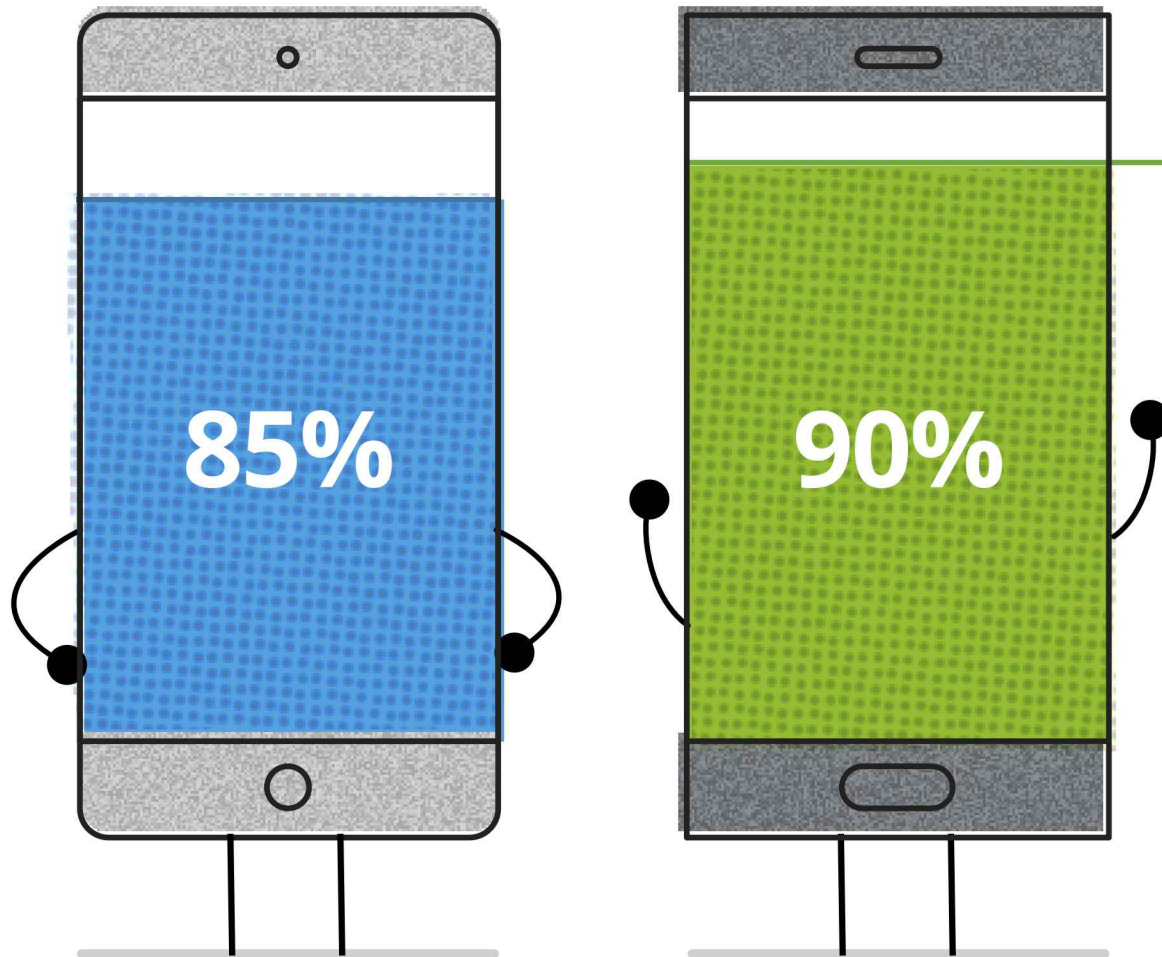
Deloitte Global predicts that by the end of 2023

Penetration of smartphones

(adults in developed countries)

2018

2023



1.85bn units per year
+19% compared to 2018

\$350 ASP +8% end-2017

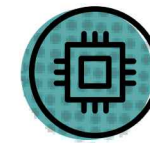
180m units at \$1,000+



Smartphone's invisible upgrades



connectivity



processors



camera



software



AI



memory



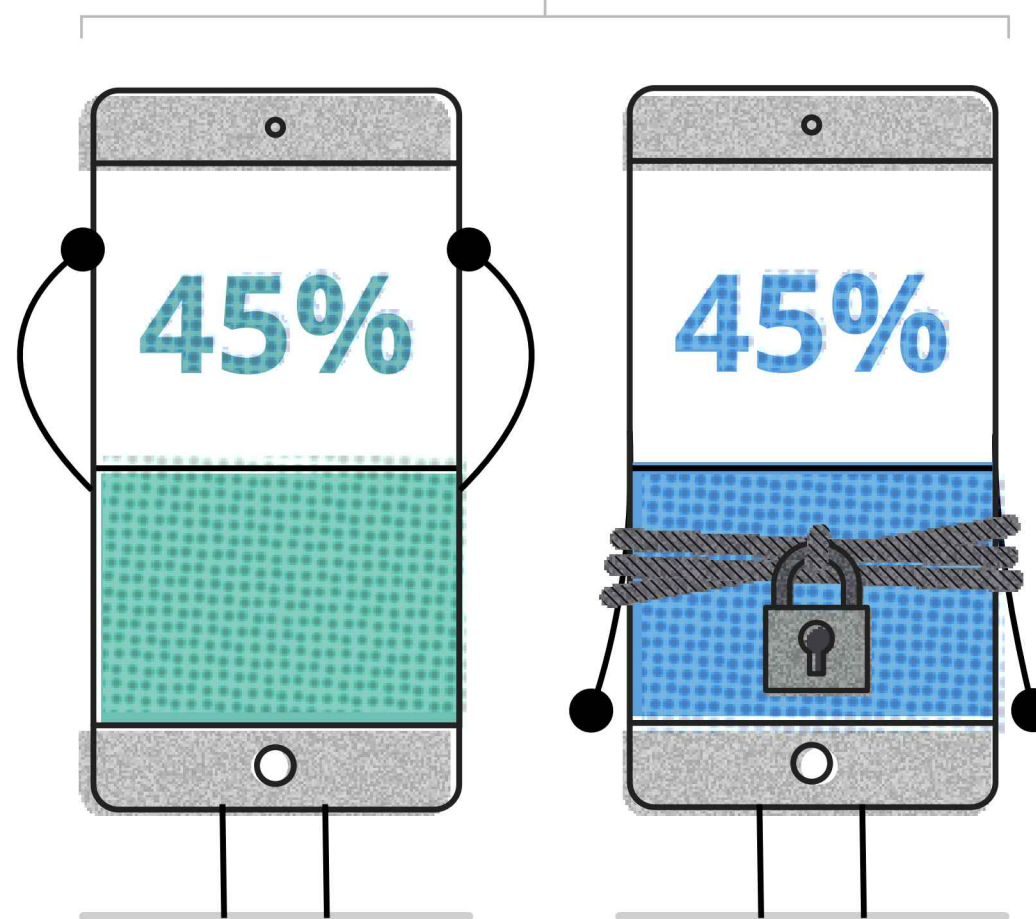
sensors

Smartphones are useful, but they can be distracting

Deloitte Global predicts that in 2018

Global adult smartphone users

will worry
they are
using their
phones
too much



will try to
limit their
phone usage
in various
ways.

2/3 18-24 year olds feel they
use their phone too much

50 no. of times people look
at their smartphone in 2017

<3% are truly addicted
to their phones.

Hitting the accelerator: the next generation of machine-learning chips

Deloitte Global predicts that

Annual sales of **Machine Learning**
chips in global data centers

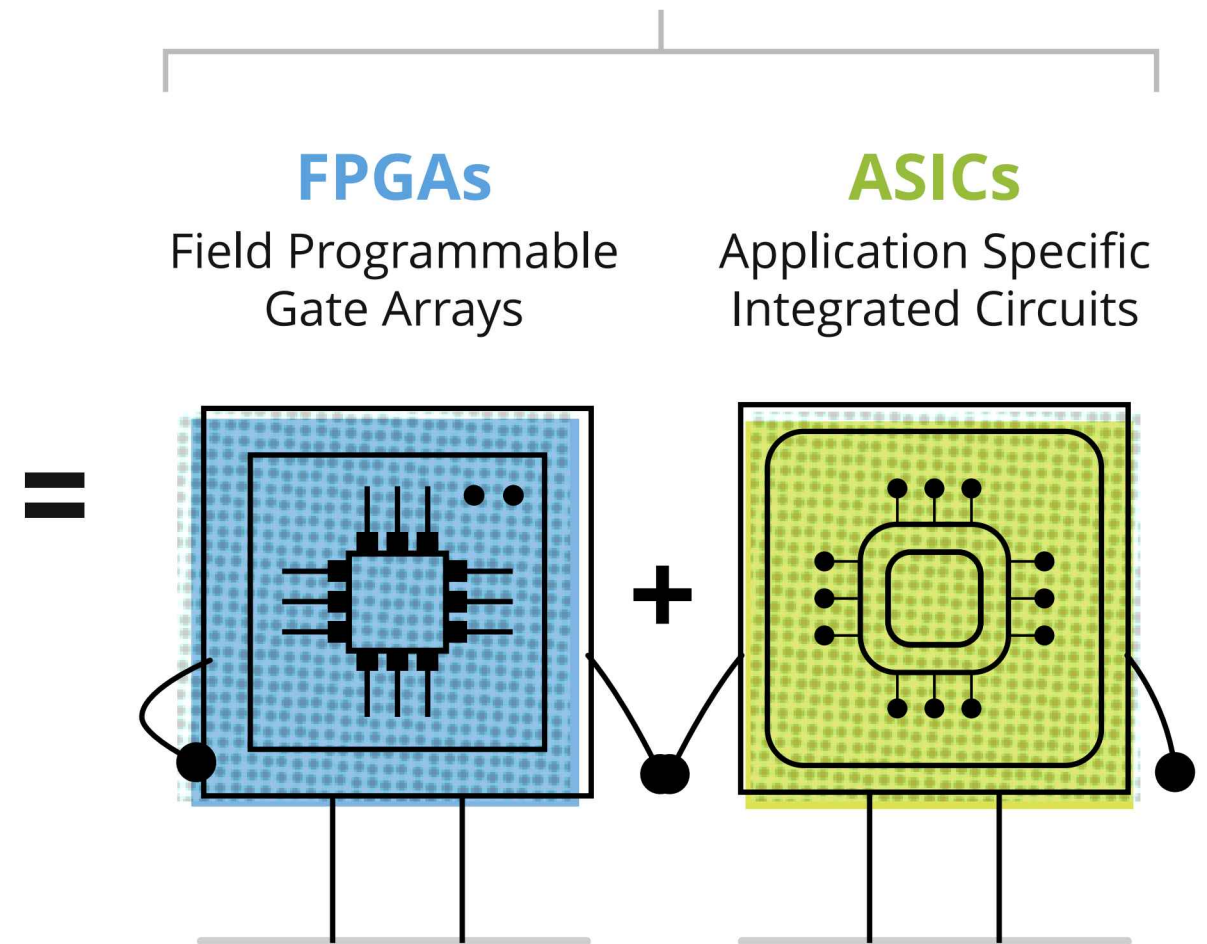
2016: 100k-200k

2018: 800k



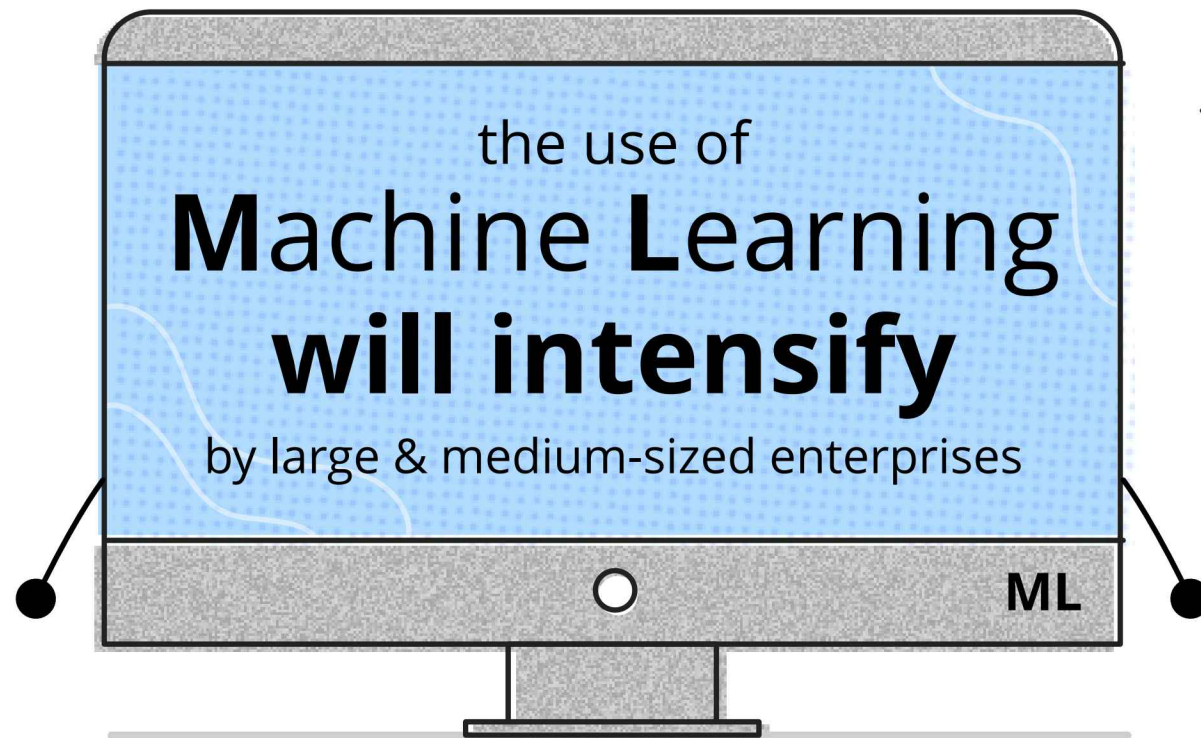
EASIER, CHEAPER & FASTER

These chips will
increase the use of ML



Machine learning: things are getting intense

Deloitte Global predicts that in 2018



No. of **ML** pilots
& implementations

2018

DOUBLE

that of 2017

2020

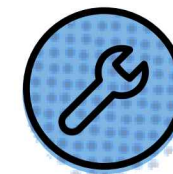
DOUBLE

that of 2018

What has held ML back?



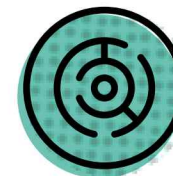
Too few practitioners



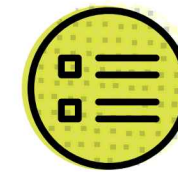
Tools are young & evolving



Gaining data: difficult/costly



Models are inscrutable



Business regulations

Spending forecasts

(billions)

International Data Corp (IDC)

2017

\$12

2021

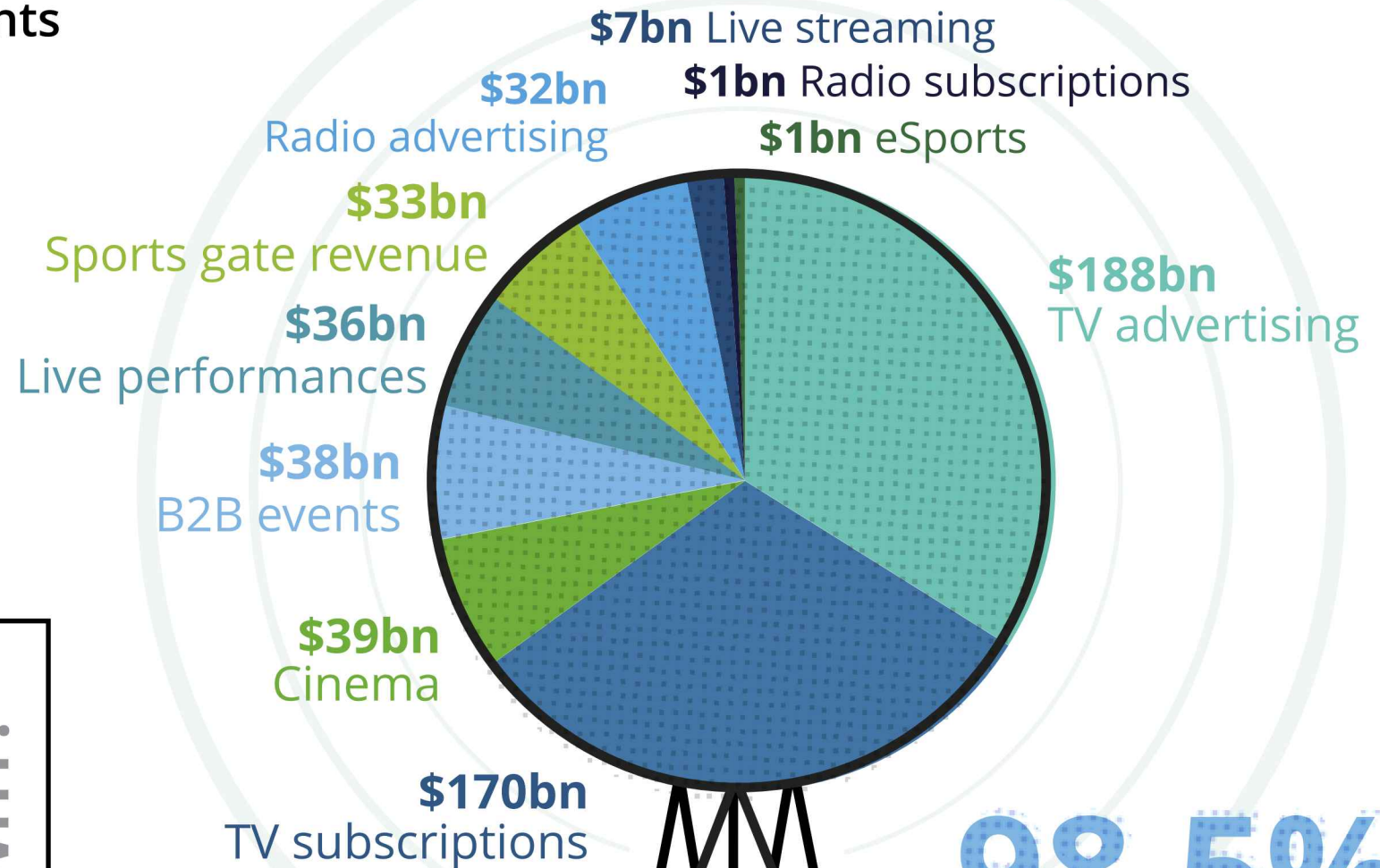
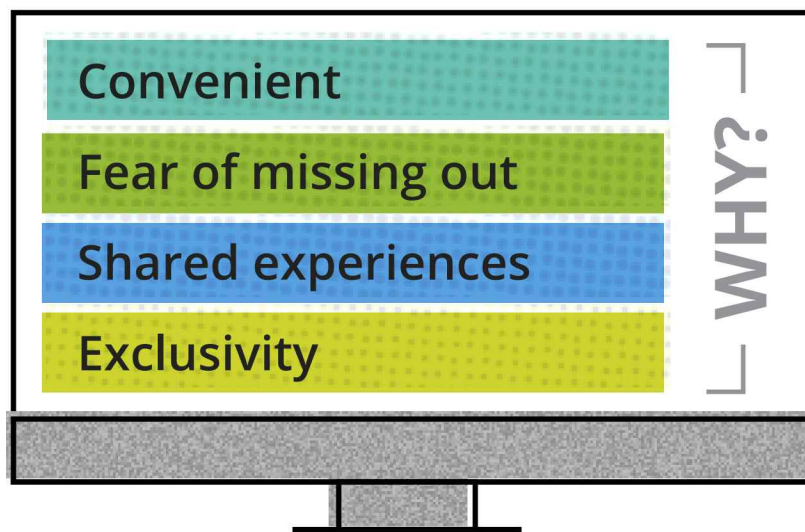
\$57.6

Live thrives in an online world

Deloitte Global predicts that in 2018

LIVE broadcast & events will generate

\$545
BILLION
in direct revenues



98.5%

from traditional sectors.
The remainder from live streaming & eSports.

Digital media: the subscription prescription

Deloitte Global predicts that there will be

580 million subscriptions

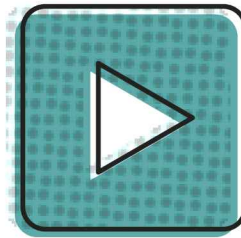
& about

350 million subscribers

this should be a 20%
increase year-on-year



375m



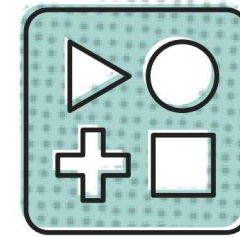
Video on demand

150m



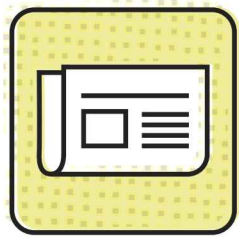
Music

35m



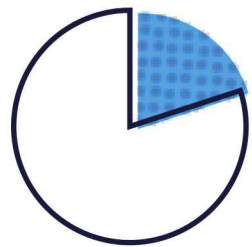
Games

20m



News

20% of adults will have access to **2018:** 5 subscriptions **2020:** 10 subscriptions



2018
Two

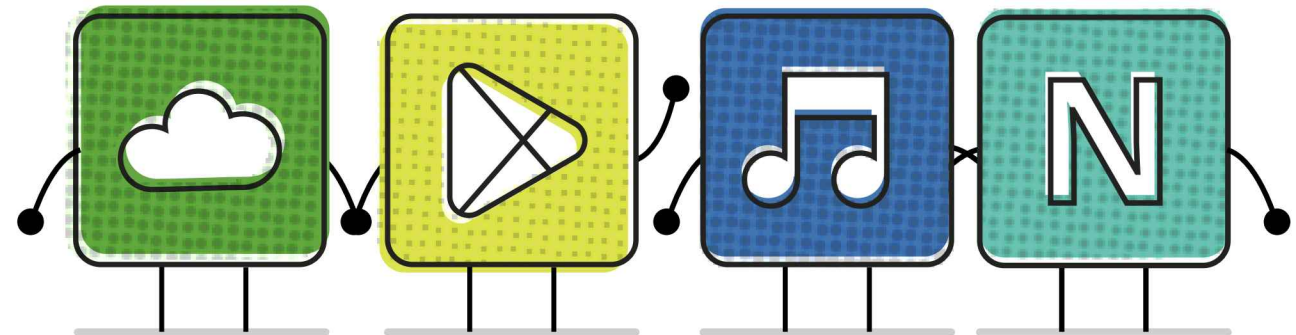
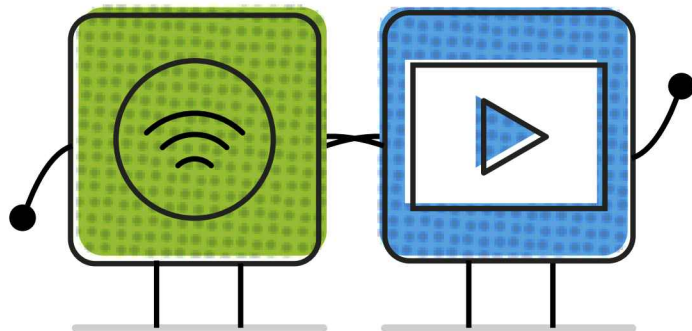
online subscriptions

50%

of adults in
developed markets

2020
Four

online subscriptions



Is there an #adlergic epidemic? Adblocking across media

Deloitte Global predicts that

80% ADULTS

in North America

use at least one ad-blocking method, of which

50%

use two

10%

use four+

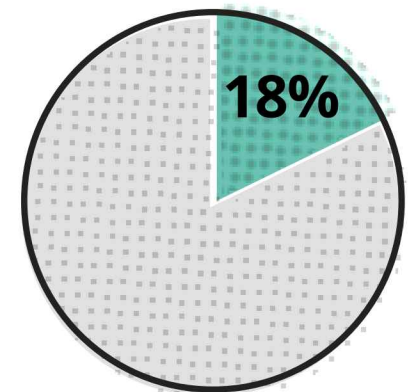
#ADLERGIC

0%

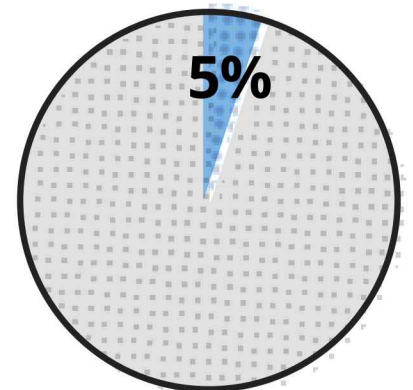
No one blocks all adverts

Heaviest adblockers

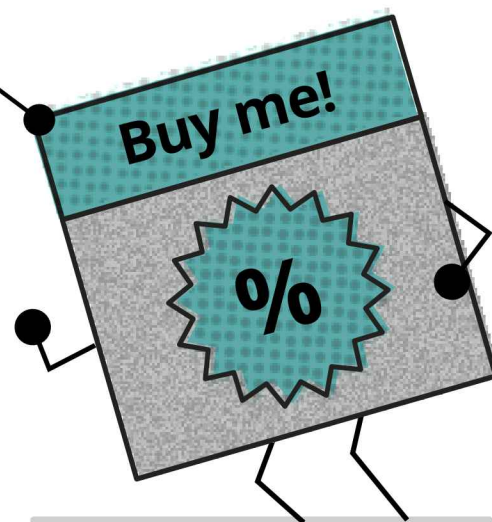
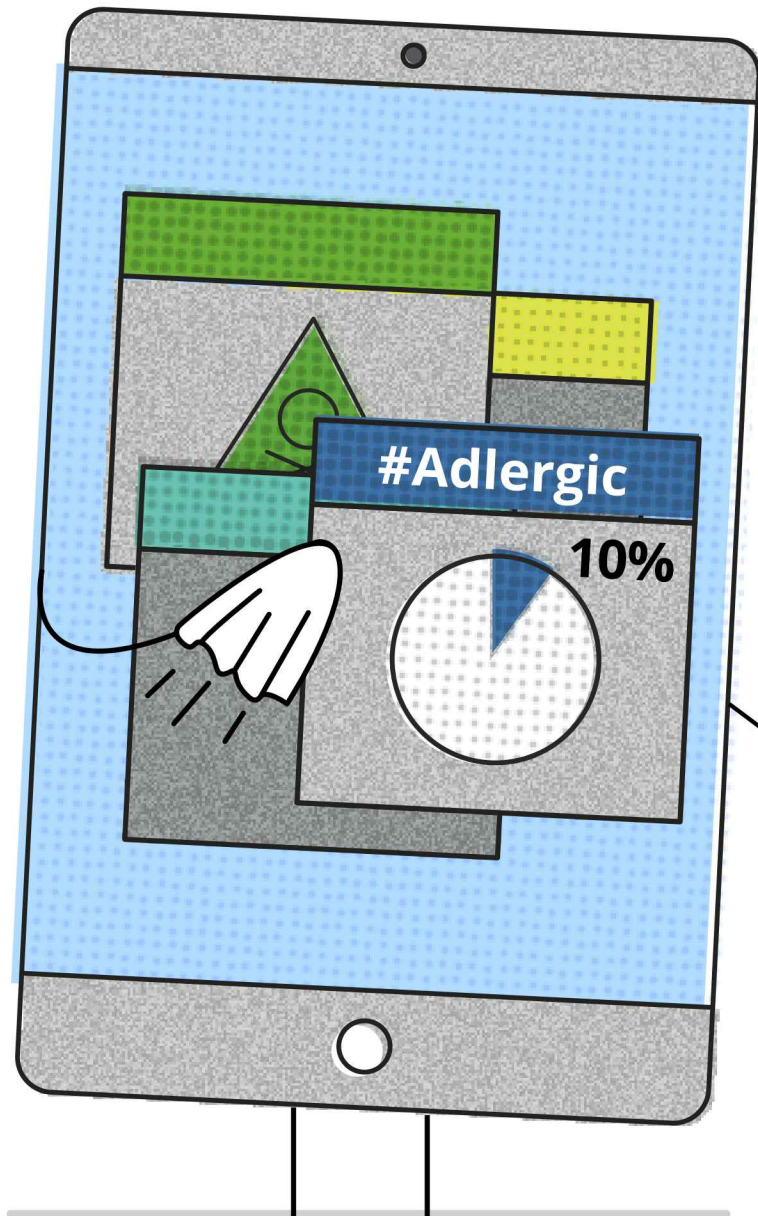
(four+)



18-34 year olds



45+ year olds



The kids are alright: no tipping point in TV viewing trends for 18-24 year olds

Deloitte Global predicts that in the US, Canada and the UK

In 2017

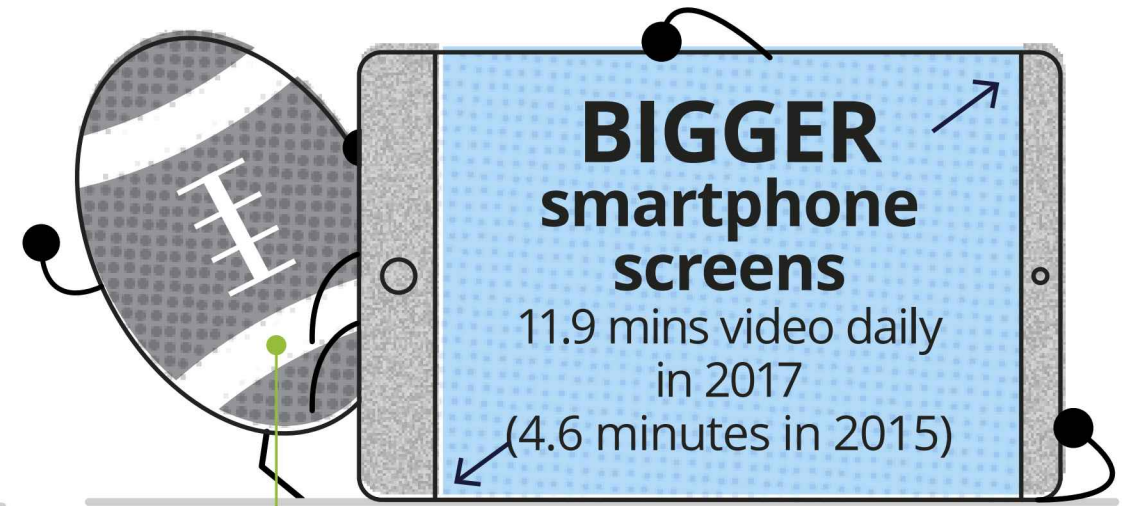
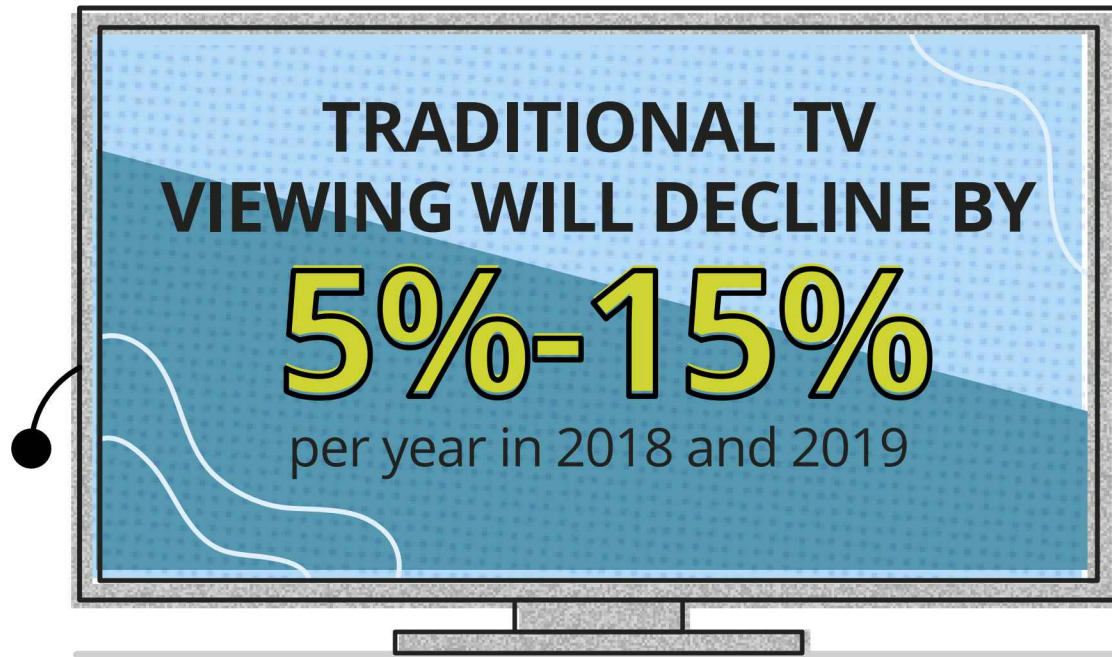
124 mins a day



Vs



156 mins a day



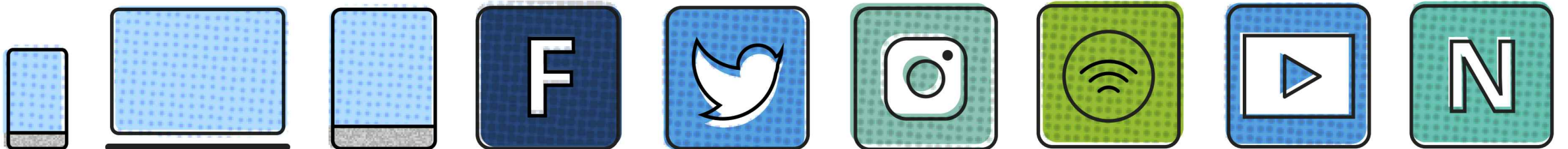
THERE IS NO TIPPING POINT

The last seven years has shown a similar rate

MOST POPULAR SHOW

18-24 year olds have been lured by

smartphones, computers, social media, streaming online video like YouTube & Netflix.



Mobile only: wireless home internet is bigger than you think

Deloitte Global predicts that

20% of homes with internet access in North America will get all of their internet data access via mobile-only networks

Faster speeds & higher caps

10% in 2013

20% in 2018

Up to 30%-40% in 2022

WIRELESS-ONLY internet will increase as an option for more people as we move to 5G

The most likely owners of mobile-only data plans:

When there is **NO OTHER CHOICE** e.g. rural residents

Young people

x2

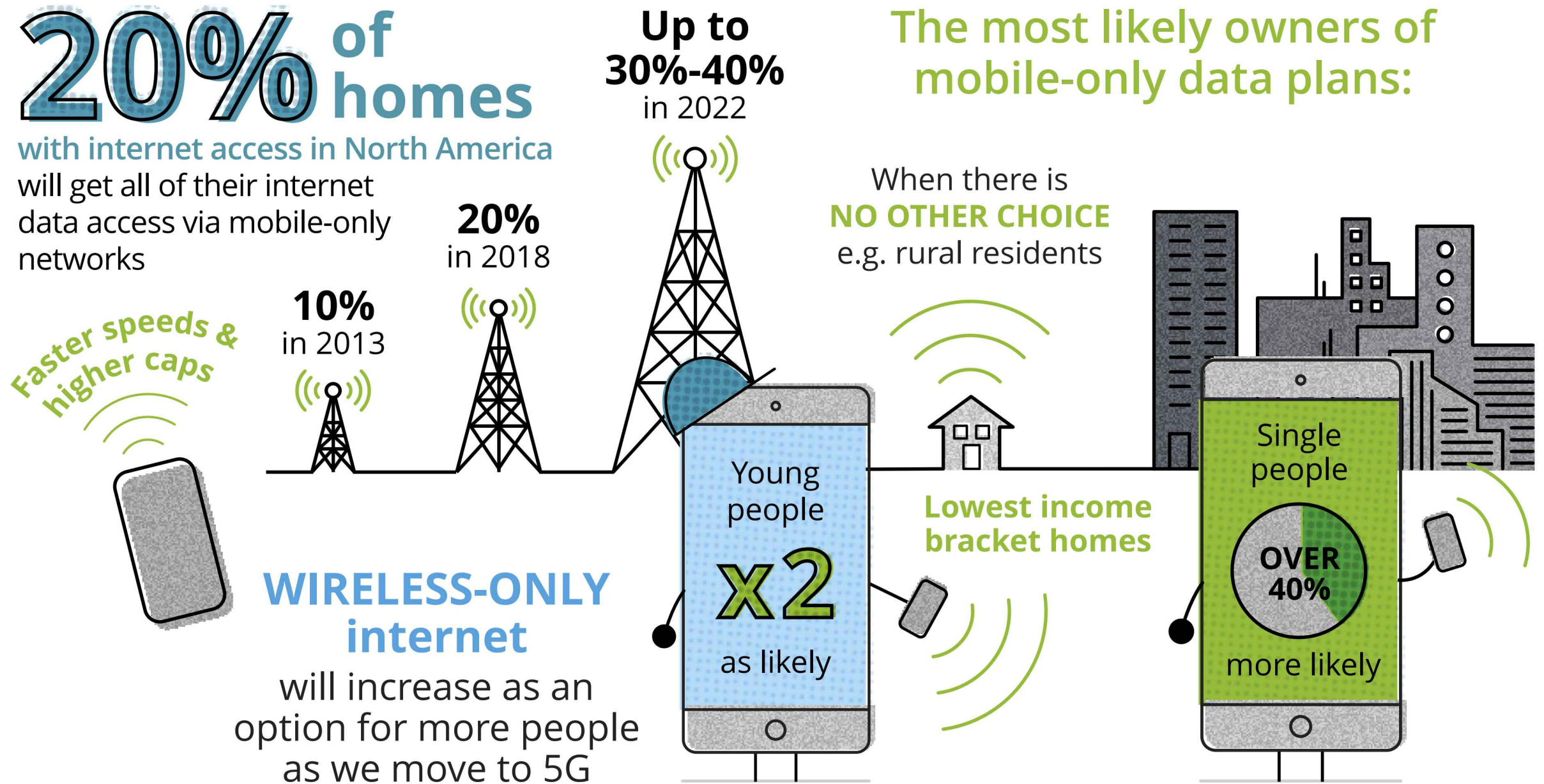
as likely

Lowest income bracket homes

Single people

OVER 40%

more likely



Fasten your seatbelts: in-flight connectivity takes off

Deloitte Global predicts that by 2018

1 billion

passenger journeys on planes

will be on aircraft
equipped with in-flight
connectivity (IFC)



Most passengers will
express their happiness
online from 35,000 feet
#selfieinthesky

1/3

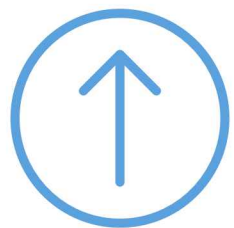
commercial
planes have IFC
(1600-2000 more
added in 2018)

20% HIGHER

than 2017

1/4 of
all journeys

Why IFC is more popular than ever:



rising no.
of routes



higher
speeds



greater data
capacity

Revenue for airlines
should be about

\$1 bn

