

## Press release

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### **Streaming into the Future: Deloitte's Top 3 TMT Predictions for 2024 Reveal the rise of Gen AI, the SVOD platforms profitability game, and Telco ongoing sustainability transformation journey**

**Deloitte's TMT forecast highlights the key trends shaping the future of Technology, Media and Telecommunications**

**Brussels, Belgium – 14 February 2024**

- Generative AI and enterprise software: What's the revenue uplift potential?
- Driven to tiers: Streaming video services look to up their profitability game with viewers
- Dialing down the carbon : Telcos could keep on reducing their carbon footprint

Deloitte has released its 2024 Technology, Media, and Telecommunications (TMT) global report, providing valuable insights for businesses looking to stay ahead of the curve in this rapidly changing landscape. The report highlights the ongoing digital transformation of the global economy, looking at the rise of Generative AI (Gen AI) among consumers and enterprises, subscription video on demand (SVOD) platforms facing the challenge of balancing growth with profitability and Telcos looking to reduce their carbon footprint as they move from copper to fiber, shut down 3G networks, and deploy efficient 5G networks.

#### **Belgian enterprises will adopt Gen AI technology at a supercharged pace, following the global trend**

Gen AI might move from a concept buzzing in enterprise circles to a reality reshaping industry. Deloitte Global surveyed the 50 largest enterprise software companies, and all of them offer or plan to offer a software product with gen AI inside. In this context, 2024 will be a ramp year, with enterprise software revenue uplift from gen AI reaching US\$10 billion run rate by the end of 2024 -- from zero dollars in 2022.

Belgian businesses are set to rapidly embrace Generative AI technology, as market projections indicate a double-digit growth over the next decade, with 29% of Belgian Generative AI users already leveraging this technology for professional purposes. Belgian AI scale-ups are poised to play a pivotal role in the corporate adoption of Generative AI, by customizing globally-developed Gen AI models to meet specific local business requirements

#### **The Belgian SVOD market is plateauing and remains below European penetration average, influenced by a blend of supply-demand factors**

In 2024, Deloitte Global predict that streaming platforms will charge more for premium content, fight churn with longer subscriptions, and satisfy bargain hunters with more pricing tiers. 2024 will be an inflection point for streamers, shifting from growth to profitability. This may require streamers to fight churn and diversify revenues – or examine if they're in the right business.

Belgium presents an interesting streaming landscape, marked by distinct market dynamics. Despite a 67% average SVOD penetration across Europe, Belgium stands at just 47%. This disparity can be attributed to a mix of supply-demand factors, including the limited size of consumer and advertising markets, the prevalence of strong broadcaster video on demand (BVOD) platforms like VTM GO, VRT Max, RTL Play, and RTBF Auvio, as well as high telco pricing limiting the consumer willingness to pay for streaming service. These elements could potentially deter some streaming services from entering the Belgian market, considering as well the profitability hurdles they face.

## Telco sustainability surges on the back of additional levers

Telecom sectors, despite accounting for only 2% of global emissions, are actively seeking to further reduce their carbon footprint. Initiatives may include transitioning from copper wire networks to energy-efficient fiber optics, decommissioning power-intensive 3G networks, electrifying field service fleets, and employing power-saving technologies in 5G radio gear. Deloitte predicts that telcos worldwide may be able to reduce their carbon footprint by 2%, or 15 million tons of carbon dioxide equivalent (CO<sub>2</sub>e) in 2024 and do the same again in 2025.

In Belgium, Proximus will decommission 60,300 km of copper network over a 5-year period. Telenet will gradually migrate customers towards FTTH network after which HFC network may be decommissioned gradually. Every Belgian operator is also phasing-out legacy mobile networks, with 3G phase-out by 2024 or 2025 and 2G phase-out between 2027 and 2030. At the same time, Proximus will install 5G RAN base stations with “sleep functionality” to improve save energy and Telenet, through its partnership with Ericsson, will deploy 5G operation engine designed to optimize 5G energy efficiency. In the same vein, Orange will update base stations to a more energy efficient Nokia Single RAN.

## Additional Deloitte 2024 TMT Predictions:

- **Agricultural technology (AgTech) can play a critical role in tackling both food security and environmental sustainability.** With a projected global market of US \$18 billion in 2024, AgTech is poised to revolutionize farming practices. Belgium’s AgTech ecosystem is growing fast, supported by established research centers, incubators and accelerators. In that vein, Apeha.bio secured 70M in a round C funding making it the second largest investment round by a Belgian scale up company in 2023.
- **The audio entertainment market is on the cusp of significant growth.** The market is predicted to surpass US\$75 billion in 2024, a 7% hike across formats like podcasts, streaming music, radio, and audiobooks. Podcasts offer untapped potential for per-user revenue. In Belgium, although podcast penetration has increased by 10% in 2023, radio remains a dominant channel with 63% of Belgians listening daily to radio. In this context, Radio effectively holds its ground in the audio advertising spending market, with more than 90% of spend.
- **The pervasive role of smartphones in authentication.** By 2024, smartphones will be integral to secure authentication, revolutionizing aspects from online log-ins to physical access controls. Biometric technologies may lead this transformation, offering enhanced security against fraudulent access. The two-factor authentication process will primarily use smartphones for one-time password (OTP) delivery, building on the estimated 1.7 trillion OTP messages sent in 2022 that generated US\$26 billion in network traffic. With itsme, Belgium is a leader in the authentication software market. In 2023, 80% of the adult Belgians between 16 and 74 have access to the two-factor authentication app itsme, which represents a double-digit growth compared to 2022.
- **ESG reporting: An emerging norm.** With increasing demands from investors and regulators for transparent Environment, Social and Governance (ESG) metrics, sales of standardized ESG reporting software are expected to cross US\$1 billion in 2024. Deloitte estimates that the ESG software market will likely grow at a compound annual growth rate (CAGR) of over 30% in the coming years. In Belgium, the number of Belgian companies legally required to disclose their performance will be multiplied by 14, from 200 in 2023 to 2800 by 2026. This growth can be supported by a local ecosystem of ESG reporting scale-ups, such as Greenomy – listed on the ESGFintech100 – or Wequity who recently raised 1,1 M€.
- **2024 is set to be a watershed year for women's elite sports.** Women’s sports are expected to break the billion-dollar revenue barrier for the first time, reaching US\$1.3 billion in total forecast revenues globally. This growth is fueled by commercial revenue, followed by income from broadcast and matchday sources. Leading this ascent are football, cycling and basketball. This increased investment is expected to not only boost revenues but also elevate athletic performance and opportunities for women athletes across levels and ages. In Belgium, the number of World Cup football matches broadcasted on Television has been multiplied by 4, from 2019 to 2023. This growing popularity also brings more remuneration fairness, with for example prizes equalization decided by Flanders Classics for its 6 cycling classical races or the balance in remuneration in men’s and women’s national hockey teams.

## About the Global Technology, Media & Telecommunications Report

Deloitte's annual TMT Predictions report provides an outlook on technology, media and telecommunications trends that may disrupt and transform the business and consumer ecosystems worldwide. Visit [www.deloitte.com/predictions](http://www.deloitte.com/predictions).



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