

Integration of "E-commerce," "Metaverse," and "Consumer experiences" LTI themes into our new LTI "The digital consumer"

Longer Term Investments

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- As our Longer Term Investments themes *E-commerce*, *Consumer experiences*, and *Metaverse* have common drivers around digitalization and impact from AI, we are integrating them into our new Longer Term Investments theme *The digital consumer*.
- In our broader *The digital consumer* LTI, we offer a holistic outlook about the old and new ways consumers are consuming goods and products. Consumer behavior is shifting toward consumer experiences with people spending more on experiences that create lasting memories and happiness.
- Technology and society are the main structural drivers of the theme. Population growth is an important driver of consumption growth.
- Technology is revolutionizing every aspect of our lives, enabling new experiences. Social media networks are growing vibrantly as increasingly many people want to be part of a community and share their experiences.



Source: Ailine Liefeld

Our view

Technology has revolutionized how we work, play, and consume as it disrupts many aspects of our lives and creates new virtual experiences. The growth of the digital economy has disrupted many traditional business models in the past 20 years. Companies like Meta, YouTube, Amazon Web Services, and Android's/Apple's smartphone operating systems, to mention a few, all emerged within a few years of one another and quickly rewrote the rules. The emergence of artificial intelligence (AI) can positively impact

consumer experiences by enhancing customer support, improving content creation, aiding education and training, or contributing to immersive gaming.

There has also been a shift in consumer behavior worldwide, in the way people consume products, use the internet for information, and ultimately make decisions. Digital innovation and changing consumption patterns will continue to drive structural growth in the digital economy and create investment opportunities, in our view. In this report, we review the latest developments in the industry.

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Younger generations are digital natives and show consumption patterns that are different from those of their parents, while also affecting their parents' behavior. Consumer decisions are being influenced increasingly by more touchpoints than in the past thanks to digitalization, which is rewriting the playbook for online businesses. For young people, sharing or spending on experiences tends to be more important than owning things.

Traditional areas (travel and leisure), in combination with emerging virtual segments (metaverse, games, e-sports, online events around art, sports, culture, and entertainment, and social media), are a key investment opportunity in this theme, in our view. As a result, we are closing our Longer Term Investments themes *E-commerce*, *Consumer experiences*, and *Metaverse*, and integrating them into our new Longer Term Investments theme *The digital consumer*.

Appendix

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