

Digital Trends: 2022 – Spotlight on the Metaverse – US – 2022

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This report looks at the following areas:

- Metaverse awareness, knowledge and attitudes
- Household tech ownership, purchases since the start of the pandemic and future purchase intent
- Tech hardware and services sector market value indicators and forecast
- Motivations for home electronics purchases
- The importance of brand names, in-person shopping and the prevalence of stock shortages

Following Facebook's rebranding to Meta in October 2021, it seemed mentions of the "metaverse" were everywhere. Companies from tech to retail to entertainment announced their metaverse aspirations, and consumers joined in on the excitement. While the metaverse was practically unheard of just six months ago, four in 10 Americans now claim to be at least a little knowledgeable about it. It is still early for the technology as a concept, and there will be an opportunity to educate consumers as awareness continues to grow. Stakeholders should focus on the metaverse's utility to the daily lives of the average consumer rather than just its exciting futuristic aspects.

In the more immediate term, the digital tech hardware industry has been particularly impacted by supply chain shortages. Processor chips have been one of the hardest hit resources in the market, affecting many tech categories. Meanwhile, inflation is putting more pressure on consumer budgets, which is keeping consumer confidence low despite stabilizing employment and GDP. The combined result of these factors is that consumers are often finding it hard to get the products they want, while demand may soften compared to 2021 as Americans scrutinize their budgets more closely due to rising prices.

Looking ahead, certain tech categories face the threats of returning to a market where mobility and behaviors are similar to pre-pandemic. Namely, devices like VR headsets and connected home fitness machines were uniquely relevant during the pandemic, lockdowns and social distancing – as well as



"Two years on from the beginning of the pandemic, there is a simultaneous increase of both clarity and uncertainty. Consumer behavior is returning more to pre-pandemic levels as restrictions loosen and mobility increases; but at the same time, the metaverse is creating questions about what the future of the internet will look like."

– Scott Stewart, Associate Director – Mintel Reports

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when households had increased savings from a combination of less spending and stimulus checks – but will struggle to stay that way once consumers leave the home more and are less in need of remote tools to keep their distance from others.

Nevertheless, the outlook is generally positive for the tech industry – and specifically hardware. Consumers' lives are becoming increasingly digital, with the pandemic acting as a catalyst. As more behaviors go digital, hardware demand will grow – either because consumers want more devices to use or upgrade their current devices to keep up with new digital innovations. Certain categories may fare better than others, but the tech hardware industry in general is well positioned to remain strong despite some of the external factors that are present as the market returns to relative normalcy.

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