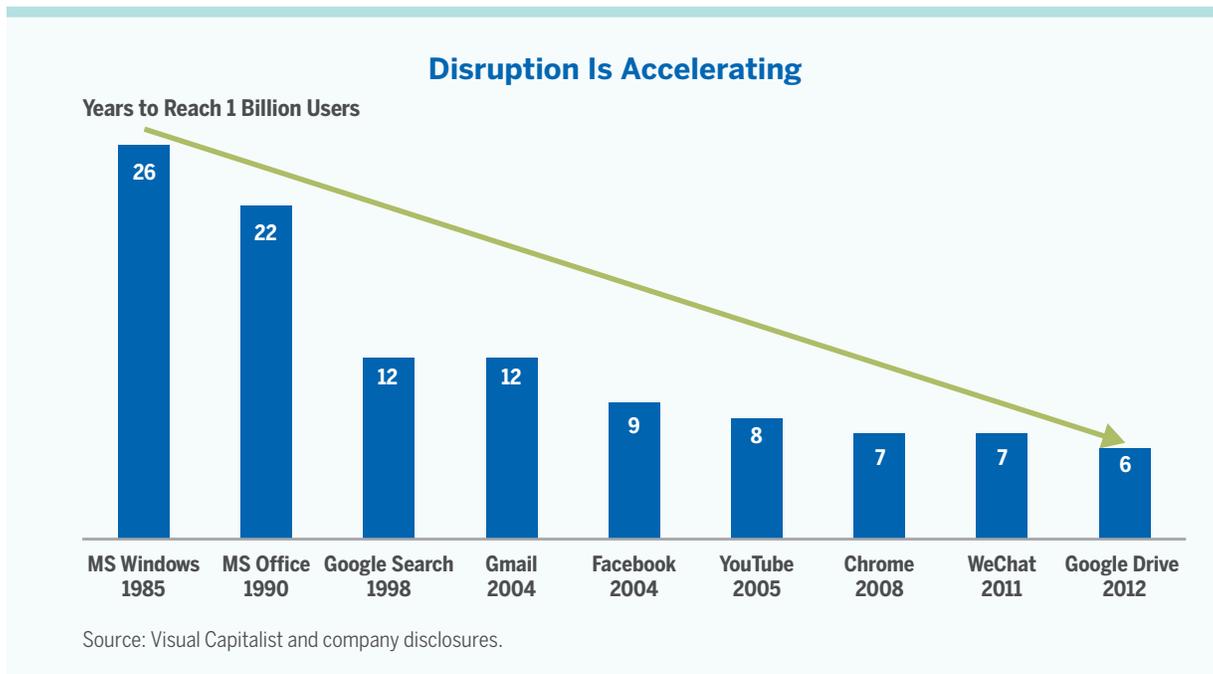


## Billion User Bogey

New product adoption is occurring at a much faster rate than ever before because the digital economy creates larger markets that are easier to access. What does this trend mean for the economy and investing? More disruption may be in store.



- It took more than two decades for the wildly successful Microsoft products, created in the 1980s, to reach one billion users. The pace of adoption is rapidly accelerating with Google Drive reaching one billion users in only six years.
- The digital economy runs on massive platforms that allow for many users to gain access to new products and services at the same time and with just a few clicks. The result is accelerating change and more frequent industry disruption. An example is the media industry, which is being dramatically reshaped with legacy publishers losing subscribers and advertisers to digital content providers.
- The increasing rate of change and ensuing disruption should be a tailwind to growth stocks and may be a headwind to value stocks, as equities that appear cheap may simply be victims of change.

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