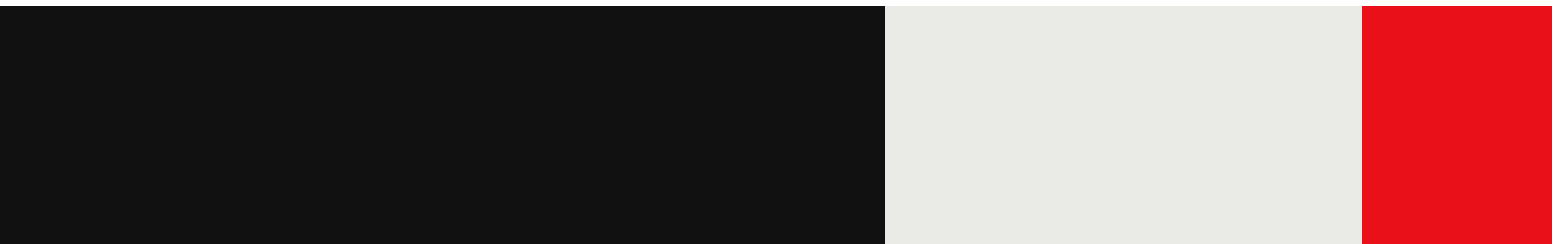


The Weekly Listen: The end of search as we know it, the purpose of genAI, and Ikea's plans to save the mall

Audio



On today's podcast episode, we discuss what comes after the end of search as we know it, what generative AI (genAI) is best at today, who the right partner for Paramount+ is, what Ikea's plans to save the mall entail, the most popular alcoholic drinks in the US, and more. Tune in to the discussion with our director of reports editing Rahul Chadha and analysts Ross Benes and Max Willens.

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Episode Transcript:

Marcus Johnson:

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optimize reach and impact.

Hello, everyone, and thanks for hanging out with us for the Behind the Numbers Weekly Listen, an eMarketer podcast made possible by Nielsen. This is the Friday show that is having a bad hair day. What's going on? Although, has anyone... I don't know what's happening. I mean, has anyone ever said, "I'm having a good hair day." That's never been said before, right? Has it?

Ross Benes:

Jesse from Full House would say that.

Marcus Johnson:

Would he? She? He?

Ross Benes:

He. Yeah, John Stamos.

Max Willens:

He was always right.

Ross Benes:

Yep.

Marcus Johnson:

Oh, man. I'm having a great hair day. That's not true. It's always this, what am I looking for?

Max Willens:

It's the headphones.

Marcus Johnson:

It's my ceiling. Let's pretend it's the headphones, that's what it is.

Max Willens:

It's the enemy of the head, of the hair.

Marcus Johnson:

In today's show... That's what I'm supposed to say. See? I got distracted by my horrendous hair. Is this the end of the web as we know it? GenAI's purpose. Is Peacock the right partner for Paramount+? Can IKEA save the mall? And, what are the most popular alcoholic drinks?

Joining me for this episode, we have three people, let's meet them. We start with our Director of Reports Editing, based in upstate New York. It's Rahul Chadha.

Rahul Chadha:

I'm sure locals would argue that you'd describe this as Central New York, but I am of the mindset that it's immaterial to me. I don't care.

Marcus Johnson:

Would they? Victoria went to college there. V? Central?

Victoria Grace:

It is Central New York, technically.

Marcus Johnson:

Oh.

Rahul Chadha:

Come on.

Victoria Grace:

Upstate is like, you could see Canada.

Marcus Johnson:

Is Westchester.

Victoria Grace:

Westchester?

Marcus Johnson:

Cut that out!

Rahul Chadha:

That's definitely a city resident thing to say.

Marcus Johnson:

They turned on me!

Ross Benes:

I can see New York City from here.

Marcus Johnson:

Yeah. Someone who is in that vicinity, he's one of our senior analysts covering everything digital advertising and media. It's Ross Benes.

Ross Benes:

Hello.

Marcus Johnson:

Hello there. And you've got to go further south if you want to hang out with one of our other senior analysts on that very team, he's based in Philadelphia. It's Max Willens.

Max Willens:

Yo.

Marcus Johnson:

There he is. Before, when it wasn't a video podcast, I didn't worry about it.

Rahul Chadha:

Right? This is the whole reason I shaved today.

Marcus Johnson:

Is it?

Rahul Chadha:

Yeah.

Ross Benes:

You know, Marcus, you can just wear a wig.

Marcus Johnson:

Well, I might have to start doing that. Rahul's wife's like, "Thanks."

Anyway, what do we have in store for you? Is this the end of the web as we know it? We'll start there. We then move to Make the Case, we've got some good arguments to be made for three different stories for you. And then we move to Dinner Party Data, that's how we end the show.

We start, of course, with the story of the week. Now all I keep thinking about is, what wig will I wear? Clown?

Ross Benes:

You don't have to choose one, you-

Rahul Chadha:

Just get a rotation going.

Max Willens:

You got some choice [inaudible 00:03:08].

Marcus Johnson:

Just switch it up.

Ross Benes:

A different one every day.

Marcus Johnson:

Wardrobe change. Every day? Oh, I thought it meant every segment.

Ross Benes:

Oh, yeah, you could do that too.

Marcus Johnson:

You probably don't want to tune into next week's Weekly Listen, it's going to be a disaster. But for this one, we're going to be talking about, is this the end of the web as we know it? Christopher Mims of the Wall Street Journal writes that, for decades, seeking knowledge online, and seeing it, has meant Googling it and clicking on the links. But seeking information using a search engine could be almost completely replaced by the new generation of large language model powered systems, says Ethan Mollik, associate professor at the Wharton School of UPenn.

This could be good for consumers, but could also upend the delicate balance of publishers, tech giants and advertisers on which the internet, as we know, has long depended. Right, it's Mr. Mims. He says he's been guiltily using a new, free, AI-supported search engine/web browser called Arc Search. Type in a search query, it identifies the best half dozen sites for information on that topic, then uses AI to summarize them. This is part of the reason why the New York Times is suing ChatGPT maker, OpenAI.

He thinks that, once most people try it, they'll never be able to imagine going back to the old way of browsing the web. Mr. Mim says, "It's not clear what lies on the other side of the current transition the web is going through. Much depends on how quickly people switch to AI-powered search, how much better future language models are and which companies AI comes to dominate. There will be both winners and losers in this future, as some publishers and services become obsolete and others become trusted and necessary sources of information."

The question here though, gents, is what does this future of search look like? We're playing Mini Shark Tank just for this segment. So, each person gets one minute to present their version of the future of search. The future can be, let's say, 2026, a couple of years out. I have 10 investment points to dish out. The more I think a person's version of the future is likely to come true, the more points they get.

So, let's play. Let's start with Ross. A minute on the clock, what's your pitch of the future of search?

Ross Benes:

So, the founder of the world's biggest tech company loses a battle to secure a patent on the most powerful AI generator ever created, and this AI has the potential to dominate the world because we're living in a world dependent on computers. The AI source code, though,

happens to fall into the hands of computer hackers, and hackers want to use the AI for blackmail and theft. But when they go to use the AI, they find out that they only stole a decoy, and the decoy can only generate models of rubber duckies favored by Jeep owners. The tech company still controls the real AI: they use it primarily to make search ads more profitable, and the search ads look a lot like the search ads we see right now.

Marcus Johnson:

Okay. Okay, I said future of... You've gone for movie script, I see.

Ross Benes:

Well, so-

Max Willens:

I'd watch that on Hulu.

Marcus Johnson:

I would watch that, on any platform.

Ross Benes:

The last time I was on this podcast, Bill Fisher brought up Lawnmower Man 2.

Marcus Johnson:

Yeah. You're the only person on the planet Earth who's watched it.

Ross Benes:

Yeah, so that was an homage to that. I half ripped off that and half went my own direction.

Marcus Johnson:

Nice. Okay, Lawnmower Man 3 was the direction Ross went in.

Ross Benes:

We could call it Lawnmower Man 3: Attack of the Search Ads.

Marcus Johnson:

All right. So in this world, you think that there's basically going to be a fight for the ownership of intellectual property, rights, code behind the most powerful AI search. And that's going to rule the world.

Ross Benes:

Yep.

Marcus Johnson:

So, there'll be one.

Ross Benes:

There'll only be one.

Marcus Johnson:

Okay.

Ross Benes:

Well, there'll be others, but effectively, there'll be just one big one.

Marcus Johnson:

Right, the way that there are other search engines, but Google has 90% of the share of search in the US, and also worldwide.

Ross Benes:

Yep.

Marcus Johnson:

I believe that's similar web data. Okay, Rahul. A minute on the clock.

Rahul Chadha:

I think the future of search will be fractured, as Google's effective monopoly dies by a thousand cuts. And one of the big things, I think a lot of attention gets paid to AI, but what to me is the dark horse stalker for emerging as the biggest beneficiary of ruling in the DOJ case against Google's search practices, that it violates antitrust law.

They have had a search engine in the [inaudible 00:07:55] works for a long time and they're going to have to make up for the estimated 10 to 18 billion Google used to funnel to them in traffic acquisition costs. I do think the ruling will open the door for some AI-powered search engines, but that requires adoption of a completely new service. Apple's service is just going to be on everybody's home screen on their iPhone.

Meanwhile, I think Reddit could take a cash infusion generated by its IPO to fix its internal search engine, siphoning off even more searches from Google. Heavy users of social media, along with younger folks, will increase their use of social searches on platforms like TikTok, and consumers will keep heading to Amazon to start or finish their paths to purchase.

Marcus Johnson:

Okay. So, in this 2026 world, what do the shares kind of look like in terms of these... I mean, is Apple all of a sudden half the market, Amazon's 40%, and then 10% for TikTok?

Rahul Chadha:

I think about half of the operating systems, in the US at least. But on a global level, I think one of the biggest barriers to any competitor to Google is just adoption. Google spends, I think something like \$49 billion a year on traffic acquisition costs, those being fees it pays to people and entities and platforms to be the default search engine.

The default search engine is just kind of something that we all sort of take for granted, but getting people to switch that behavior is a pretty heavy lift. And that's one of the reasons why I'm kind skeptical of AI-powered search engines. I think that'll be a small proportion of it. Much has been made of people appending the word "reddit" to the end of their Google searches to get actually useful information. And again, Amazon, I think, is disrupting the search process for people, or for shopping for actual things.

Some competitors might emerge; Shopify, potentially, if they start aggregating all their stores into one platform. They've actually launched a website. That could be another way that Google's presence in the shopping process gets disrupted, I think. And again, just to plug some of our content, Minda Smiley, our social media analyst, is publishing a report about social searches. And generationally, there is a distinct difference among younger users, Gen Z specifically, and how they are using social platforms to start their searches, and the types of content they're looking for.

Marcus Johnson:

Ross, really quickly. In your world, this singular AI-powered search company is who?

Ross Benes:

App-azon.

Marcus Johnson:

Amazon, okay.

Ross Benes:

No, App-azon. It doesn't exist now. 2026-

Marcus Johnson:

Oh, App-azon. Oh, okay, I see what you've done.

Ross Benes:

Yeah.

Marcus Johnson:

Good God. Okay. Max, we've not... Yeah, I thought OpenAI, I thought ChatGPT rules the world was going to be at least one of these. Max, is that direction you've taken, or what's your pitch of the future of search by 2026?

Max Willens:

I would say mine sort of falls somewhere in the middle. I think that search is essentially going to be turned into a feature, or a significant component of the operating systems that sort of dominate our lives. So, something like Siri, whether it's branded as Siri, or something else for Apple, will provide the dominant search experience on iPhones and Apple devices, inside of the kind of diffuse ecosystem that Microsoft is building.

Copilot is going to be this thing that shows everybody around and ferrets out information for them. And inside of Android and Google's various surfaces, and YouTube especially, it's going to be Gemini and whatever they wind up branding that as, Gemini and Bard, rather. And so, you think essentially about the... Almost every major operating system we use has some sort

of internal search capability already. The reality is that, now that we're at the dawn of this age of GenAI being able to sort of synthesize information and spit it back out at us, it sort of resets the consumer behavior, and understanding of which of these services is better.

And so, we go back to the days of Lycos and Excite and AskJeeves and Google, and eventually one of them is going to win. But I think that if they all are able to sort of tap into the same kinds of resources, i.e. what's left of the open web and other assets like it, what's going to sort of determine which one really wins is how quickly and nimbly you can tie all that stuff together with other information that they have.

So, imagine if you have an iPhone, you can ask it, "What is the easiest way for me to get to this place by next Thursday?" And it will be able to not only pull in the maps data and data from Expedia, it can also jump into your calendar and go, "You can travel on this date, provided you avoid the podcast taping that you have on Wednesday afternoon."

Marcus Johnson:

Don't do that.

Max Willens:

So, there are potentially lots of antitrust implications there. But I think that there'll be lots of ways for these tech behemoths to sort of put their thumbs on the scale to ensure that people do opt for the native GenAI-powered search product that they all have.

Marcus Johnson:

Just for the record, go to the recording. Don't skip it.

Rahul Chadha:

Really. Okay.

Marcus Johnson:

Cancel the doctor's appointment. So, it sounds like multiple proprietary digital assistants, that's what you're saying, right? That's how we'll navigate?

Max Willens:

Yes, that's a much more succinct way of putting it. Basically, the digital assistant will become the search widget of the future.

Marcus Johnson:

Hmm, okay. These are good futures, gents.

Max Willens:

I disagree.

Marcus Johnson:

Oh?

Max Willens:

They're all plausible, but I don't... I am not excited about it.

Marcus Johnson:

Oh, yeah. Yeah, you don't want to live in any of them.

Ross Benes:

Yeah, I don't want to live in the world that I described, no.

Marcus Johnson:

No, I wasn't really referring to yours, Ross. Sorry, I meant...

Ross Benes:

That's fair.

Marcus Johnson:

App-azon? Two points, max, for you, Ross. Two points. Rahul and Max, though, I'll give you four apiece. Interesting futures, yeah. I don't want to live in any of them, but very interesting. But yeah, fascinating. Anyone else surprised that no one else said ChatGPT, OpenAI runs away with it?

Ross Benes:

Well, if we're talking about who's going to control search in the future, more so than any of the AI companies, isn't the future just going to be determined by how this Google court case shakes out?

Marcus Johnson:

Yes.

Max Willens:

I think in a lot of respects it is.

Marcus Johnson:

Yeah, that's a good point.

Max Willens:

If the hammer comes down on them, that plunges lot of this into a very different territory.

Rahul Chadha:

Referring to the DOJ suing Google in terms of its search practices violating US antitrust law.

Marcus Johnson:

Yeah.

Rahul Chadha:

Which I know because of Evelyn's report about antitrust in big tech.

Marcus Johnson:

One thing that I did want to mention before we move on is, there is a note on the Stack Overflow, which is kind of a case study, the journal article pointing out that coding answer site, Stack Overflow has seen traffic fall because of these AI agents. Traffic fell 14% in April, the month after OpenAI launched GPT-4, which can write code developers would've otherwise looked up on sites like Stack Overflow. Six months later, the company said it was laying off over a quarter of its staff.

The company says traffic has been impacted by the surge of interest in GenAI tools, but those large language models have to get their data from somewhere, and that somewhere is places

like Stack Overflow. So, we could start to just see a domino effect of companies reporting, this updated version of an AI, something came out and traffic to x site dropped even further.

Rahul Chadha:

And then maybe the next step is just the quality of content. When you see AI as a snake eating its own tail, it's just going to create... I mean, there's probably a phrase that describes this. But if AI is just feeding on its other AI-generated content that could be just prone to errors or offensive, or any other hundreds of reasons that it might be problematic.

Marcus Johnson:

Right. Right now it's gathering-

Rahul Chadha:

What are we going to get as content?

Marcus Johnson:

...human-made data.

Rahul Chadha:

Oh, there was a Verge article about the humans that work on training an AI, and the kicker at the end of the article was one of the AI trainers was using a VPN to say that he was at a different country because of the wages that the AI company paid were much higher in one country versus the other. And he was using ChatGPT to do his work, so he was using one AI to train another. It was just going in one system and out the other, no real human training happening.

Marcus Johnson:

Yeah. But yeah, right now, I mean, Rahul, to your point, the internet is made up of human-made content. But what happens when it's made up of, say, 30% AI-made content, and AI is pulling AI-made content? And then that share grows and grows, because AI can create content even faster than humans.

Rahul Chadha:

Well, it looks like Sports Illustrated's website right now.

Marcus Johnson:

Oh, great magazine. We used to get the tear-outs, the Sports Illustrated for kids, collect the cards.

Rahul Chadha:

Yeah. Football phone.

Ross Benes:

Anyway, that's what we got. Say again?

Rahul Chadha:

Football phone. Does that date me? Do you guys not know the football phone?

Marcus Johnson:

Football phone?

Rahul Chadha:

You used to subscribe to SI and you'd get a football phone.

Ross Benes:

Oh, that's cool.

Marcus Johnson:

Oh. Corded?

Rahul Chadha:

Oh, yeah, this was corded.

Marcus Johnson:

That is cool. I love that.

Rahul Chadha:

I'm really dating myself right now, I'm so sorry.

Marcus Johnson:

No, I used to have one of those. That's all we've got time for the story of the week. Let's move to the debate of the week. Today's segment? Make the Case.

For our panel, Rahul, Max and Ross pretend to be lawyers and present the for and against arguments for each of the following questions, based on three news stories. Two contestants face off per question. Also, the following takes don't necessarily reflect the analyst's personal views, they might do. Their job is to just present the best cases regardless, and offer objective analysis.

If you disagree strongly with something the opposing lawyer is saying, you can yell, "Objection!" I don't know what that will do, never really understood why they yell it. They yell it a lot, doesn't seem like there's any rhyme or reason.

You would just say that all the time, wouldn't you? If I was a lawyer, every word that came out the opposing lawyer's mouth, "Objection!" "Marcus. Enough. I think you are using it wrong."

Ross Benes:

I think there's diminishing returns on if the judge will allow your... You know, you've got to choose your objections wisely, right?

Marcus Johnson:

That's true. I wonder how often the lawyers got arrested because of content in the court of law.

Max Willens:

Contempt.

Ross Benes:

Contempt?

Marcus Johnson:

Contempt. Not content, something else. Let's play the game. So, it's not a game. Let's have a debate. Max goes up against Rahul. I'm all over the place today. Just today?

Question one. GenAI's purpose, what is it? What should you actually be using generative artificial intelligence for? In a Washington Post article, Shira Ovide wrote that, if we use chatbots for the wrong things, like using a leaf blower to blow dry your hair, which apparently is what I did this morning, we risk feeling disappointed in the tech. So, she laid out some examples of when and when not to use GenAI, Microsoft's Copilot, in this instance.

One was help figuring out what word to use. That's what it could be used for. Two, making cool images from your imagination. Three, summarizing long documents. Four, getting a headstart on writing something difficult, dull or unfamiliar. But what is the best use case for GenAI at the moment?

Max, you're going to be going first. And your suggestion is prototyping content. You think that's the best use for GenAI. One minute on the clock. Make the case.

Max Willens:

Yeah, so I think a lot of what we've described about GenAI and its challenges stems from the fact that it hallucinates all the time, and people do not feel like it's trustworthy. But it is a great kind of, as you say, or as I say, prototyper of content.

So, if you think to yourself, wouldn't it be cool if I could make an image of Marcus ripping open the Chrysler building and eating the people like Raisinets? Would that be cool or not? You can... Instead spending a bunch of time sketching something out and being unhappy with your illustrating ability, you just punch it into Midjourney and see what it looks like, see if it would in fact be the right thing to put on a holiday card for Marcus, or if it wouldn't be.

Marcus Johnson:

[inaudible 00:21:09] done.

Max Willens:

Basically, one of the great challenges, one of the great struggles we have all faced as creative people is the tyranny of the blank page, and GenAI takes the tyranny of the blank page and throws it in the garbage. So, that's why it should be used for that, principally, I guess.

Marcus Johnson:

Nice. That's a good one. So, they come up with their own for these, I didn't ask them to present arguments for these specifically. So, prototyping, I do like that. I was actually talking

to a friend, rather coincidentally, yesterday about this. Right, "Oh, I've got this idea, I'm working on this project and I'm thinking about this. But to try to create a prototype is going to take so long, that if I reach a dead end, it's going to be a big waste of time." But I wonder if that is part of the Midjourney. See what I've done?

Ross Benes:

Oh, nice. That was almost as good as App-azon.

Marcus Johnson:

We'll cut that. Well, is it? It's a low bar, Ross. It's a low bar.

Rahul, you're talking about entertainment, you think is GenAI's main purpose at the moment. Make the case.

Rahul Chadha:

Yeah, I mean, I don't know, maybe Max and I are describing the same thing, because I'd find a Midjourney-created image of you destroying the Empire State Building highly entertaining.

Marcus Johnson:

Why is that? It says a lot about my personality. Go on, sorry.

Rahul Chadha:

The underlying problem with AI, I think, for practical purposes, is that it remains far from foolproof. It can create a host of headaches for people and the companies that try to use it. Tech.co keeps a running tallied list of AI errors, mistakes and failures that includes things like Microsoft's AI generating violent imagery on demand. And I think the key part of that phrase, minimal... Sorry. I think when ChatGPT launched, everybody else was like, "We need to go to market," and they launched a bunch of minimum viable products, what people call minimum viable products, the contentious word I think being "viable".

And I think where it excels right now is just generating funny, random or absurd content for no other purpose than the user's amusement. I just stumbled across this stuff scrolling on Reddit. I mean, there are AI-generated videos of Will Smith just straight mealing on a bunch of spaghetti that I found highly entertaining. So, I guess that's me, because this is where I intersect with AI at this point.

Marcus Johnson:

It does seem like that's the most content at the moment. Let's move to question two. Good arguments, gents.

Paramount+ owner discussed pairing it with Comcast's Peacock, apparently, writes Jessica Toonkel and Amol Sharma of the Wall Street Journal. The potential partnership or joint venture could put all of Paramount+'s and Peacock's streaming content under one roof. At the end of last year, the Journal reported that Warner and Paramount CEOs had discussed a possible merger of the companies, not just streaming platforms. How is Paramount getting on right now? The article explains that it's not so great. Ad market and falling pay-TV subscribers have forced the company to significantly cut costs so it can meet its investors' promise of delivering positive earnings growth this year.

The question is, is Peacock the right partner for Paramount+? Max is going to argue that it is the right partner for Paramount+. Make the case.

Max Willens:

So, I will begin with a lawyerly disclaimer, which is to say that the odds of Paramount and Comcast, which have been fighting each other for advertising dollars for decades, is really quite remote. But in the abstract way, I do think that this is very, potentially, a really nice pairing for both parties.

So, the secret weapon for both of their respective streaming services is their kind of libraries of old network TV shows, and their sports offerings. Between the two of them you could have very, very strong coverage of soccer, the definitive coverage of the Olympics and probably about half of the NFL games, which is really nothing to sneeze at. They both have really tried to sort of get ink and build cultural cache for their Originals, and Yellowstone did quite well, but those are effectively a sideshow. They're not going to be the thing that really drive ARPU, which is the thing that both services need to get to being more sustainable and more profitable.

And so, if they really want to drive as much revenue as possible while maximizing their cost-cutting, they are a good potential match. The only real problem is what you would call the combined service.

Marcus Johnson:

Ross, Peacock isn't the right partner for Paramount+. Make the case.

Ross Benes:

So, as far as their streaming services and the TV networks that are affiliated with them go, they're exposed to the same problems right now. Namely, that they're suffering from the decline of linear TV, and both of the streaming services that are used to prop up this decline have no path to profitability right now.

As Max said, they tend to have similar strategies on the content they rely on and the live sports they go after, so they could complement each other. But to me, that seems more like a weakness, that the other partner isn't offering something wildly different than what they offer. If they're going to compete with the ESPN and Fox sports joint venture, they'd need something a little more substantial. And this partnership would not give them any regional sports network coverage, which I think is the biggest part missing from the ESPN/Fox deal.

And if they were able to partner with Amazon, they'd at least get some of that, because Amazon has the bankrupts and [inaudible 00:26:27] networks now.

Marcus Johnson:

So, two things for me. I was wondering where a combined service would rank. According to Nielsen's Gauge, Peacock accounted for 1.6% of all TV time in January, Paramount+ was 0.9%. Combined, that's 2.5%. It's good enough for fifth place. That's of all TV stuff, not just streaming. All TV watching, this combined service could be 2.5%. That's behind Hulu's 2.7%, but ahead of Disney+'s 1.9% share of TV time.

And secondly, investors may be getting impatient. Paramount Global's stock has fallen about 50% in the past year, Comcast is up 10 points by comparison. The Economist explaining linear TV makes up about 80% of Paramount's revenue. That's sinking as cable subscribers leave, and streaming is supposed to be its lifeboat. Paramount+ has over 60 million subscribers and it's got some hits; Max said Yellowstone, but it's lost over \$1 billion in the first nine months of last year, and seems years away from breaking even.

For our final argument, we're talking about IKEA and whether they can save the mall, is question three. Trefor Moss of the Journal was writing about this, saying that many malls are struggling, but IKEA is betting it can breathe new life into the troubled format. What's the

formula? Anchor its malls with an IKEA store, but then also offer coworking spaces, Nordic-themed food halls and kids play areas. Can IKEA save the mall?

Rahul, you're arguing that IKEA can save the mall, because its parent company, Ingka Group, they operate some malls, and so they're going to anchor it with an IKEA store. And then they think they can reinvent the mall. But IKEA can save the mall, Rahul, a minute on the clock.

Make the case.

Rahul Chadha:

Yeah, I mean, like you mentioned, the traditional department stores historically serving as anchors to the malls are largely going the way of the dodo. I think IKEA is particularly well-suited for driving foot traffic for a few reasons. People want to see furniture in-person, shipping costs for furniture can be prohibitive, and IKEA is kind of the OG of experiential retail, which is a pretty, I would say, static buzzword in the retail world. But people can drop their kids off at a play area, navigate an immersive showroom, buy a bunch of stuff, and then eat some Swedish meatballs and call it a day.

And I think the other thing to note too is that the death of the mall, I think in the US at least, could potentially be greatly exaggerated. Top-tier malls, being those in affluent areas, aren't suffering as much as you might expect. According to a June 2023 report from Coresight, foot traffic in these malls was actually up 12% between 2019 and 2022. So, I think really what you're going to see now is ways of re-imagining the mall with properties like IKEA, or workspaces. Not even just the WeWork-type spaces, but offices and just new ways of driving foot traffic to malls, basically.

Marcus Johnson:

On the foot traffic numbers, there were some from real estate data provider Green Street. And these are more negative than the ones Rahul cited, but they're still not apocalyptic. If I had to guess, I would've said they were close to 50% of their pre-pandemic levels. But it doesn't seem to be the case, according to Green Street. So, US malls down 4% on average in 2023, year-on-year, but still 12% lower than pre-pandemic 2019 levels. 12%, whether it's up or down, Rahul's numbers or my numbers, doesn't seem as bad as I would've thought.

Ross, IKEA can't save the mall, though, is your argument. Make the case.

Ross Benes:

Well, so foot traffic is still down in malls, prior to what it was in the pandemic, and it had been declining for some time before that. There's been more of a focus on revitalizing downtowns, on making things more walkable.

The way that malls sprung up, around suburban malls primarily in the 1980s, is not as fashionable as it used to be. If anything is going to save the malls, this point I share a bit with Rahul, I don't think it's going to be stores like IKEA, that there's a lot of experience-based activities in malls now that we're there for; there's ax-throwing, mini golf. There's multiple amusement parks in the American Dream mall. There's mystery bins.

There's all sorts of interesting stuff that happens at malls that isn't like the traditional retail experience. That part seems to be growing more than the stores part that IKEA belongs to.

Marcus Johnson:

Hmm. I do wonder, can you rebrand the mall? Is that too big of a task? Because Ingka Group, the operator of most of the world's IKEA stores, was calling malls meeting places. Can the mall go through a rebrand? Do we think that's possible?

Rahul Chadha:

I absolutely think that's possible. I think there's this concept of mixed-use development that's closely associated with main streets and cities, and I think some version of that could exist in malls. But I think they're kind of at their low point right now and just re-imagining of what they're going to do, again because their traditional anchor stores and department stores are going away.

But our local mall is very sad, I'm not going to mince words. It's pretty depressing to go visit because the tenancy rate is incredibly low. But the local healthcare provider is buying up a lot of the space to turn it into office space, and spaces that provide healthcare services for people, and dentists open up an office there. That's something you wouldn't historically think about being in the mall, but to me that's mixed-use development in just a different form.

People are going to go to the mall because that's where they work, and then they're going to go out and shop and buy lunch and do all the things they would do on a main street. But it's just all encapsulated in the mall now.

Marcus Johnson:

Yeah. Yeah, you've got to go to the dentist, you might as well do some other things whilst you're there. There's some interesting opportunities for partnerships, it seems. A new coworking brand called Hej!, it's "Hi" in Swedish. Hej!Workshop. And "Goodbye" as well, I believe, which is very confusing, Sweden.

Hej!Workshop has its shared office space fully kitted out with IKEA furniture, and there are these coworking spaces in these malls and IKEA furniture in these spaces, so good promotion for IKEA. So, maybe there's some overlapping partnerships with the tenants in these malls. The IKEA operator says the approach is working. Visit numbers at the company's malls, increasing traffic at Ingkas, more than London, they say, doubled last year from a year before.

All right, folks, that's all we've got time for for the debate of the week. Let's move to the random trivia portion. It's, of course, Dinner Party Data. It's the part of the show where we tell you about the most interesting thing we've learned in the last few minutes, right, Rahul? Rahul's been Googling frantically. Or in Ross's world, he's been... What did you call it? App-azoning?

Ross Benes:

Oh, yeah. Well, I can't do that yet, I have to wait a few years before that service is available.

Marcus Johnson:

Soon. Soon. Rahul, what did you find?

Rahul Chadha:

Yeah, so in the last 10 minutes, I discovered that ski visits in the US hit a high of 65.4 million over the 2022, '23 season.

Marcus Johnson:

Wow, that's a lot.

Rahul Chadha:

That was up almost five million, from 60.7 the previous season. That was a little shocking to me, honestly, just because you figure... I mean, the state of global climate change, I would assume that there's not a lot of snowfall or snow pack in these resorts anymore. But I guess people are still headed to the mountain.

Vail is the largest ski resort operator in the US. They own 34 resorts stateside and 41 globally. And what was interesting to me is, like many other things these days, Vail has leaned into subscription ski pass services, which accounted for 72% of visits in the most recent ski season.

Marcus Johnson:

Oh, wow. Interesting. So, no buying the pass day of. Subscribe, get access to multiple.

Rahul Chadha:

Yeah. I'm not sure, my source didn't exactly describe. Because I mean, there's a thing just described generally as a season pass and I was like, "Is that what they're calling subscription?" Because that's a pretty old-fashioned model.

Marcus Johnson:

Yeah. But I thought you meant subscriptions to other ones that they own.

Rahul Chadha:

I guess that's possible too. They didn't really go into detail. But I mean, the thing was the graph showed share over time, and the subscription aspect of it was definitely growing, to steal share from, I guess, the day lift passes, yeah.

Marcus Johnson:

Interesting.

Victoria Grace:

Can I offer some color?

Marcus Johnson:

Oh, hello.

Victoria Grace:

Hi.

Marcus Johnson:

Talk to us, V.

Victoria Grace:

Ski pass. You basically buy a ski pass, and it gets you access to participating mountains.

Marcus Johnson:

Oh, class pass for skiing.

Victoria Grace:

My sister... Basically, yeah.

Marcus Johnson:

Your sister?

Rahul Chadha:

Yeah, I mean, I worked at Vail when I was in college, when I was in my snowboarding days. And yeah, the passes that you purchased at any one particular resort, I think were good for the three or four resorts that were in the area.

Marcus Johnson:

Wait, V, you just said "Your sister," and then nothing else. Is she okay?

Victoria Grace:

Oh, sorry. Yeah. My sister was a great skier. She picked it up in a year, and she travels to ski. Usually they'll travel to mountains that are on the ski pass, because it's vast. She's been to Canada, both coasts, she's been all over the continental US.

Marcus Johnson:

Jackie, do some work! Hi, Jackie.

Victoria Grace:

Jackie is crunching those emails on the mountain, don't worry.

Marcus Johnson:

Ah, very nice. Sure she is. Thanks, V. That makes a lot of sense. Very good, Rahul, especially for a last bit scramble. Ross.

Ross Benes:

So, depending on when people listen to this episode, it may be around the time of St. Patrick's Day. And I looked up how much food coloring basically gets thrown in the Chicago River during that time. So, if you're not familiar, in Chicago, they turn the river green. People get very excited, and hopefully the fish don't die. I don't know how they do.

Marcus Johnson:

Probably.

Ross Benes:

But back in 1962, they used to throw 100 pounds of green dye into the river.

Marcus Johnson:

Perfect.

Ross Benes:

Then, they dialed that back, 25 pounds, but that wasn't green enough. So now, they're at 40 pounds, and they've been there for a while. So, expect 40 pounds of dye to go into that river this St. Patty's Day.

Marcus Johnson:

Jesus. Must we?

Ross Benes:

Yeah. I'm not responsible.

Max Willens:

People did all kinds of wackadoo stuff back then that we no longer do. I think I'd be fine with retiring this as a tradition.

Marcus Johnson:

Shocking. Max. What do you got?

Max Willens:

Breaking news, Max is annoyed by something and wants it to stop. I became aware of the fact that Tyrese Haliburton, who is one of the NBA's young stars, is a leap year baby. So, in a sport where its commentators are really obsessed with how young all its rising stars are, Tyrese is really quite young because he is four. He is four years old. He will not celebrate his fifth birthday for another couple of years.

And it got me thinking about whether there are other leap year athletes. And so, I found a pretty well-researched piece by a guy named Jerry Beach who put it up on his Forbes contributor page. That's where I got basically all this information, so thank you to Jerry/damn you, Jerry, if you made all of this up. But just wanted to go through some stats about leap year pro athletes.

So, there have only been three, or there had only been three NBA players who were leap babies prior to Tyrese Haliburton, and he's pretty clearly going to go down as the very best of them. The only real competition he has is a guy named Chucky Brown, who played for a really long time but really was kind of just a dependable cog of a player for most of them.

There have been 18 NFL players who were leap babies. Probably the most notable is a guy named Bryce Paup who was, at one time, the NFL Defensive Player of the Year. And Jerry didn't figure out how many baseball players there were.

Marcus Johnson:

Dammit, Jerry.

Max Willens:

But the, I guess you would say, very much most successful was a guy named Al Rosen, who won the American League MVP in 1953, led the American League in homers twice and nearly won a triple crown.

Marcus Johnson:

Whoa.

Max Willens:

So, nothing to sneeze at, but just a nice little starter pack of weird sports trivia for those of you that enjoy that stuff.

Marcus Johnson:

Very good. We had a leap colleague, Chris Benson, shout-out, was on the Forecasting team.

Rahul Chadha:

I was thinking about him when Max started talking about this.

Marcus Johnson:

Yeah. I believe he trialed for the Olympics. He was like one of the 200 best runners in the country. I think he went to California to try out for the Olympics.

Max Willens:

Wow.

Marcus Johnson:

Because he ran track for Princeton. But he was, yeah, one of the fastest people in the country it would seem, or especially at a distance.

Okay, I've got one for you real quick. The most alcoholic... I've put the most alcoholic drinks. That's not what I have. It's probably ethanol.

Ross Benes:

But that'd be very easy to figure out what's the most alcoholic [inaudible 00:40:13].

Marcus Johnson:

Yeah. What are the most popular alcoholic drinks? We'll start with beers. Quick guesses, folks, before I give you the answers. Real quick, we'll go Ross, Max.

Max Willens:

This is global or US?

Marcus Johnson:

This is from US people, but it could be alcohol from anywhere. It's going to go Ross, Max and then Rahul. Quick guesses for beer.

Ross Benes:

Modelo.

Marcus Johnson:

That's third. Max?

Max Willens:

Budweiser.

Marcus Johnson:

Didn't make it.

Max Willens:

Wow.

Rahul Chadha:

Corona.

Marcus Johnson:

Corona's number one, tied with Guinness. 53% each. Heineken, 51\$. Sam Adams, Modelo, Stella Artois, joint third. It's not really third. Oh, it is third. Well, Corona and Guinness are tied, so it's not really... Anyway, they're next, 48%. Most popular wines. Ross? Oh, sorry, that's from... YouGov 2023 was beers. YouGov 2019 is wines. Ross?

Ross Benes:

Franzia.

Marcus Johnson:

Well, actually, you know what, I don't have these. I just have red, white or rosé.

Ross Benes:

Okay. Rosé.

Marcus Johnson:

Most popular?

Ross Benes:

I don't drink wine. I don't know.

Marcus Johnson:

Me neither, but Ross! My God, what a country. 55%. I'll just give you these. Red, 69%, white 65%, rose 55%. Most popular red?

Max Willens:

Cabernet.

Marcus Johnson:

Oh, Cabernet Sauvignon is 18%, second. Merlot, 19%, only just. Pinot Noir in third. Popular white, Moscato, have I said that wrong? Chardonnay, and then Riesling. And then rosé, it was a Zinfandel rosé, is that how you say that?

Max Willens:

Zinfandel.

Marcus Johnson:

Zinfandel is how you say that, thank you. Me and Ross have no idea. And then, most popular cocktails, according to the 2024 Bacardi Cocktail Trends Report.

Ross Benes:

That's probably something that has Bacardi in it if [inaudible 00:42:06].

Rahul Chadha:

Yeah, [inaudible 00:42:06].

Max Willens:

So, rum. A daiquiri, I guess. Rum and coke?

Marcus Johnson:

Number three is margarita and Bloody Mary, tied 20%. Mojito, 27%. But the crown jewel of the cocktail world apparently is gin and tonic, 28%. Yeah.

Ross Benes:

Surprising finding for Bacardi.

Marcus Johnson:

Yeah. Favorite drinks, gents, any? Ross, rosé?

Ross Benes:

Favorite drinks? I don't really drink a whole lot of wine.

Marcus Johnson:

Sunny D?

Ross Benes:

Yeah, I like orange Hi-C. Especially if it comes from McDonald's.

Marcus Johnson:

Oh.

Ross Benes:

Way different from McDonald's than if you buy the cartridge from a grocery store. I think there's more syrup, there's more magic.

Marcus Johnson:

Cartridge?

Ross Benes:

You go to McDonald's and you get the cup. Way better than a box you'll get from the store.

Marcus Johnson:

V? Wawa, icy drink.

Victoria Grace:

Wawa, period, drinks. Wawa. Just Wawa.

Marcus Johnson:

Yeah, anything. Just Wawa, yeah.

Max Willens:

Just Wawa.

Marcus Johnson:

Just Wawa is the answer to everything.

That's all we've got time for this episode. Thank you so much to my guests. Thank you to Max.

Max Willens:

Always a pleasure, Marcus. Thank you.

Marcus Johnson:

Thank you to Ross.

Ross Benes:

Thanks, Marcus.

Marcus Johnson:

And to Rahul.

Rahul Chadha:

Cheers. Thanks for having me.

Marcus Johnson:

Yes, indeed. Thank you to Victoria, who edits the show, James, Stuart and Sophie, and also last, the podcast crew. Thanks to everyone for listening in. We hope to see you on Monday for Behind the Numbers Daily, an eMarketer podcast made possible by Nielsen. Happy weekends.

