

The Weekly Listen: Amazon's dark patterns, forcing livestream shopping, and can reduced inflation save the day?

Audio

On today's episode, we discuss the implications of the Federal Trade Commission thinking Amazon tricked customers into signing up for automatically renewing Prime subscriptions, whether it makes sense for companies to force livestream shopping on Americans, if speciality stores really work, the impact of Facebook and Instagram restricting news access in Canada, whether reduced inflation can save the day, what a real work-life balance looks like, and more. Tune in to the discussion with our vice president of content Suzy Davidkhanian, vice president of Briefings Stephanie Taglianetti, and analyst Evelyn Mitchell-Wolf.

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Episode Transcript:

Marcus Johnson:

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Hello everyone and thanks for hanging out with us for the Behind the Numbers weekly listen, an eMarketer podcast. This is the Friday show that needs to put its unreasonably wilted tomato plant out of its misery.

Suzy Davidkhanian:

How did that just happen?

Stephanie Taglianetti:

I don't know. You tell us.

Marcus Johnson:

It's time. It's time. I'm Marcus Johnson, your host. In today's show, dark patterns swirling around Amazon Prime.

Evelyn Mitchell-Wolf:

Consumers know that they're reaching for that extra candy bar at the cash register. They understand they're adding more to their cart, they understand they're spending more money. So it's a matter of do they know what is happening and are they making a choice that they can stand behind?

Marcus Johnson:

Why we still forcing the livestream shopping issue?

Suzy Davidkhanian:

I think sometimes we think about opening your closet and talking about your product as live-streaming, which it is. But there are many other ways of doing livestream that can work.

Marcus Johnson:

Do specialty stores work?

Stephanie Taglianetti:

I don't know. Specialty stores just don't capture the desire for convenience with their small inventories.

Marcus Johnson:

Facebook and Instagram to restrict news access in Canada maybe is deflation to the rescue and some interesting stats around work life balance and how that looks in the US and around the world. Joining me for this episode, we have three people. Let's meet them. We start with our senior analyst on the digital advertising media team based in Virginia. It's Evelyn Mitchell-Wolf ladies and gentlemen.

Evelyn Mitchell-Wolf:

Hello, hello.

Marcus Johnson:

There she is. We're also joined by our vice president of everything briefings based in New Jersey. It's Stephanie Taglianetti.

Stephanie Taglianetti:

Cheers mate.

Marcus Johnson:

Hello there. And finally, we have our VP of content covering retail and e-commerce based out of New York. It's Suzy Davidkhanian.

Suzy Davidkhanian:

Hi. Thanks for having me.

Marcus Johnson:

Hello, of course. So folks, what do you have in store for you? Well, three segments, of course, we do story of the week. That's why we start. We'll talk about dark patterns. What are they? Why are they swirling around Amazon at the moment? We then move to the game of the week. Our contestants, Suzy, Evelyn and Stephanie Evelyn, will give us best takeaways they can from

each of the four stories to win the championship belt if they can. And then finally, dinner party data. That's the random trivia bit. And we start, of course, with the story of the week

The dark patterns swirling around Amazon Prime. What are we talking about? Well, the Federal Trade Commission, the FTC, in the US has accused Amazon of tricking customers into signing up for automatically renewing prime subscriptions, making it difficult to cancel. Writes Natalie Sherman of the BBC, "The FTC says Amazon perk customers seeking to counsel through a cumbersome four-page, six-click, 15 option process known internally as Iliad and a nod to the Greek epic about the long, arduous Trojan War." The regulator is calling Amazon's website designs manipulative. Amazon says the allegations are false on the facts of the law.

The FTC is seeking a court order to force Amazon to change its practices, as well as financial penalties in an unspecified amount. So for context, Prime, what is it? It's that thing where it offers shipping perks, access to streaming movies and more. It costs about 140 bucks a year, about \$15 a month if you want to do it that way. And about 200 million people have prime around the world, most are in America. Suzy, you cover retail for us. Your initial reaction to FTC going after Amazon because of dark patterns.

Suzy Davidkhanian:

So I think, and Evelyn was in one of the articles, so I think most of us probably agree because I'm just going to repeat what she said, but I'm going to say it in a broader picture. I think most of us agree that this is not something new to Amazon. I do think that the FTC has something against Amazon as a non-real monopoly. I feel like they do go after these big organizations, even if they're not alone to make an example of them. Amazon is one-third of sales. I think it's very far-fetched to talk about how it's interrupting the shopping journey because they're making the case both ways that you're not allowing for easy, smooth transition to checking for what you want and putting it into your cart and buying it.

And on the back end, which is what you were just referring to, it's really hard to cancel. Even that front end part seems so absurd because if people found it really annoying and obnoxious, why would they still be going there and why would they become a Prime member? And it's two-thirds, according to our forecast, two-thirds of the US population is a member of the Prime program. So I just think it's an absurd, as Evelyn had said, example making, but they should have probably fine-tuned the argument so that it made more sense.

Evelyn Mitchell-Wolf:

Yeah, so I think maybe it's because I've been studying dark patterns recently in relation to some research I'm putting together on privacy legislation and regulation that I actually found the FTCs argument fairly interpretable and quite strong. The FTCs complaint is heavily redacted, so we don't know what evidence the commission has compiled to prove its allegations, but according to my research, like you mentioned, Suzy, dark patterns are quite common. And the idea is just that big tech companies and really businesses that are advertising stakeholders at all, they're making it much more challenging than it needs to be for consumers to act on their desires to cancel accounts. There are a couple reasons that could be the case. For Prime and Amazon, more broadly, reasons that they might have to discourage folks from canceling, obviously subscription revenues, over half of Amazon's revenues come from its subscription services. So obviously it benefits Amazon's bottom line to bring more consumers into the Prime ecosystem.

And then second and just as important, access to consumer data. Amazon has a thriving ads business fueled by its mountains of first party data on its shoppers. And Amazon is miles ahead of other digital ad players who are scrambling to build their own first party data repositories in response to privacy laws that are making it harder to target and measure ads. So it would make sense that Amazon is trying to keep consumers in the Prime ecosystem wherever they can and whenever they can.

Suzy Davidkhanian:

But Evelyn, how is that different from what Apple... I tried to sign up for Apple TV and then it took me forever to figure out how to unsign up for it, and now I've just let subscription...

Stephanie Taglianetti:

I think that's the point.

Suzy Davidkhanian:

Right.

Stephanie Taglianetti:

It's not just Amazon.

Suzy Davidkhanian:

Because I didn't obviously read the FTC arguments. Why was it so well thought out versus some of the other ones? Or is it truly that they want to make an example of Amazon?

Stephanie Taglianetti:

Well, I think that's what Evelyn is saying, right?

Evelyn Mitchell-Wolf:

It is that they are trying to make an example of Amazon. The FTC has set its sights on big tech. So the bigger the player, the better the case. Because with Amazon, if there are folks that are unintentionally signing up for Prime, which is another element of the FTCs case, is that they have configured their interface to make it easy for people to accidentally sign up for Prime and then they can't get out, which again, we don't have the receipts from the FTC because the whole complaint is redacted. So I don't have any thoughts on whether or not that is true.

But the argument is just that because Amazon is such a massive influence, a massive market power, in aggregate, the amount of harm it can cause consumers, if they can't do what they want to do in canceling their subscription, or if it makes it harder for them to do that, that it is more harmful coming from Amazon than any of the smaller players. That's what makes it a more compelling case. And Amazon Prime also has a subscription attached to it. There are a lot of other digital players that are just hoovering up folks email addresses and may make it harder for accounts to be deleted just because of the data, not even with subscription revenues. And that makes the FTCs case against Amazon more compelling as well.

Suzy Davidkhanian:

And is the dark pattern thing about the backend like unsubscribing or is it also that "shady" practices for getting people to subscribe?

Marcus Johnson:

Both.

Evelyn Mitchell-Wolf:

It's both. It's any design element in the interface, the consumer interface that manipulates consumers choices in the business's favor.

Suzy Davidkhanian:

Then that's like, "Oh, if you buy a hundred dollars worth, then we'll give you free shipping." And you're at 80, so you're like, "Oh, let me go buy \$20 more." Right? Where do we draw the line?

Marcus Johnson:

Well, that's a great question because it could even be things that are much more common.

Suzy Davidkhanian:

Yes, I agree.

Marcus Johnson:

So yeah, so in terms of what constitutes manipulative behavior, Dr. Jennifer King of Stanford University, she had a slide deck that I was looking at and it discusses dark patterns and manipulative design and in it she was outlining manipulative design in the physical world, grocery stores, and points to a few examples. One, everyday essentials, milk, eggs, bread, typically positioned far away from each other so people have more opportunities to buy other items as they go between them. Two, music, when stores are busy, fast music is played to encourage you to move quickly and three, shopping carts, the bigger the shopping cart, the more you're encouraged to buy because if you're using a bigger cart that makes you feel like you're buying less so you add more items. So if you have a small cart with 10 items, it looks fuller than a large cart with 15.

So there are other things going on in other places. Suzy, you pointed out there are about seven in 10, which is over two-thirds of households that have Prime, so it definitely has an outsized impact to Evelyn's point. But you look around the world and there are a million other examples of this going on.

Stephanie Taglianetti:

Yeah, it's like how far do you want to go? What about the pallets that are strategically placed at the point of checkout or if you want to go even further, isn't any form of advertising manipulating your behavior in some way? How far do you want to think about it?

Suzy Davidkhanian:

Or at the grocery store when it's buy two for \$5 or else each of them are \$3 and then it's \$6 and you're like, "Oh, I didn't need to, but I'm going to save that dollar."

Evelyn Mitchell-Wolf:

I guess, the important differentiating aspect here is the informedness of the consumer, whether or not there is a reasonable expectation that the consumer is making an informed choice. So if they are accidentally buying things or if they are giving their email address to a company for a discount, but they don't actually understand how their data is being used, which is, I would argue the case in most instances when it comes to the internet these days, that is hedging into territory that can be considered manipulative. When we're talking about merchandising in stores that is set up to encourage folks to buy more, I think there's just a line where consumers know that they're reaching for that extra candy bar at the cash register. They understand they're adding more to their cart, they understand they're spending more money. So it's a matter of do they know what is happening and are they making a choice that they can stand behind?

Suzy Davidkhanian:

So for Amazon though, I feel like if you're doing the free trial and you don't input, but even then you input your credit card, right? I don't understand how it's tricked and accidental if I have to put in my credit card number to either get the free trial or accidentally buy Prime. I guess that's the backend, I understand. Yes, nothing that takes 12 clicks for any matter, three clicks to get rid of is the right thing to do for a consumer. The front end, I had a tougher time agreeing with the situation.

Stephanie Taglianetti:

No, but also Evelyn, to your point on data sharing, how much of that is about literacy on the consumer end versus transparency of what's going on there?

Marcus Johnson:

Yeah, there are a number of dark patterns which we see still in use. There's false urgency. There are this many items left, guilt shaming, whether if you're going to subscribe to a newsletter, they're like, "Click here for yes please. I love quality content." Or if you want to click the other one, it says, "Hell no, I'd prefer to remain stupid." So there's plenty of other dark patterns around. The interesting thing is, yeah, will it force a change? The FTC recently proposed that the click to cancel rule that would make it as easy to cancel the service as it is to sign up for it. So maybe that will what this case will help force that through. And then also

dark patterns. It seems as though, Evelyn, no better than me, but they're explicitly banned in California, no?

Evelyn Mitchell-Wolf:

Yes, they are.

Marcus Johnson:

California Privacy Rights Act.

Evelyn Mitchell-Wolf:

They are. Dark patterns are illegal in certain states based on the comprehensive data protection laws that are in place there right now. There are 10 states that have passed privacy laws and as of July 1st, five of them will be in effect. And not all of them explicitly call out dark patterns, but some do. So it is a growing legislative agenda item, is understanding how companies might be manipulating consumers into forking over their data when they might not actually want to or no.

Marcus Johnson:

Yeah. The legislation in California, CPRA, explicitly says, "Agreement obtained through the use of a dark pattern does not constitute consent." So it is spelled out there. Finally, after all this, it's going to be so interesting to see what kind of a slap on the wrist Amazon gets if they do actually get found guilty of doing this because it's allegations at this point, because so far they've had little to no consequences on things. Amazon agreed to pay \$25 million to settle charges. It violated child privacy laws keeping recordings children made on Alexa, \$25 million, nothing. They agreed to pay another \$6 million resolving claims that Ring, the doorbell company, in 2018 had violated privacy protections again there, \$6 million, nothing. On the other hand, Amazon made nearly \$10 billion in subscription revenues in Q1, and most of that comes from Prime. The FTC thinks that Prime membership fees account for \$25 billion of companies annual revenue.

So they might just see us as the cost of doing business, to be honest. Unless, there was a Wall Street Journal piece from Jan Wolfe and Dave Michaels pointing out that Vonage last year paid a hundred million dollars to settle FTC allegations that it imposed hurdles for customers to cancel the internet-based telephone service and charged unexpected termination fees. So there is that case where it was a slightly heftier fine, but still a hundred million to Amazon's

\$25 billion, I think they'll be okay. That's all we've got time for for the story of the week. We move to the game of the week. Today's game, what's the point? How Suzy should have felt when she started a tomato garden.

Suzy Davidkhanian:

Hey.

Marcus Johnson:

Tomato jokes.

Suzy Davidkhanian:

Very excited about my tomato garden.

Marcus Johnson:

They're dead.

Suzy Davidkhanian:

They're not dead, I just showed a-

Stephanie Taglianetti:

That's actually a tomato graveyard.

Marcus Johnson:

Yes.

Suzy Davidkhanian:

I just showed you guys three tomatoes.

Marcus Johnson:

Stephanie starts with 10 points. Hanging onto dear life,

Suzy Davidkhanian:

Three red tomatoes.

Marcus Johnson:

She did. This is the game where I read out four stories, Suzy, Evelyn and Stephanie.

Suzy Davidkhanian:

I'm going to post pictures to Instagram.

Marcus Johnson:

Give us the main take away of the story. Okay, answers get one point. Good answers, get to and answers that leave you with the same feeling as-

Suzy Davidkhanian:

Biting into a juicy tomato from your garden.

Marcus Johnson:

You wouldn't know, would you, Suzy? You wouldn't know. The same feeling as an extra long hug from an old friend.

Stephanie Taglianetti:

Oh, that's sweet.

Marcus Johnson:

Answers will leave you with that feeling, they get you three points. You get 20 seconds to answer before the bell. Run long at your own peril. That's all I'm going to say. Queue intense stock music. Whoever has the most points wins gets the last word. We start with Evelyn for round one, forcing the live-streaming shopping issue. Of course, our research thinks US livestream sales could hit \$50 billion, five zero billion, this year despite limited adoption. Writes Insider Intelligence retail briefings, analyst, Rachel Wolfe, "This latest \$50 billion is markedly up from the \$32 estimate in March." Coresight CEO, Deborah Weinswig, said that the previous number, 32, failed to take into account the rapid expansion of livestream commerce on Poshmark and TikTok. But Evelyn forcing the live-streaming shopping issue, what's the point?

Evelyn Mitchell-Wolf:

It really does seem like retailers and platforms are trying to fit a square peg into a round hole. And something that stuck out to me was eBay's CPO claiming that 134 million buyers globally

are chomping at the bit to engage with sellers via livestreams. And I was curious what percentage representation that was out of eBay's entire user population. And it's somewhere around 100%. So I think eBay is a bit overzealous and perhaps the auction element might make the livestream proposition a little stronger for eBay. And obviously businesses with a global presence stand to benefit from a live-streaming investment. But this just reminds me of the hype around the metaverse where all the data suggests consumers aren't into it yet.

Stephanie Taglianetti:

Yep.

Marcus Johnson:

Stephanie?

Stephanie Taglianetti:

Yeah, it's still emerging. Livestream shopping hasn't really taken off yet. I know that influencers are a huge draw here because you have this person who you trust advocating for the brands and products that you go to buy, but at the end of the day, the few people who are doing livestream shopping are doing it for the discount that that influencer is able to provide for them. And then at the end, it's also becoming even more expensive to pay for influencers. So I'm not sure if the payoff is worth the cost right now.

Marcus Johnson:

Suzy?

Suzy Davidkhanian:

I sadly don't agree with you girls, but that's okay. We have this debate a lot at the office around live-streaming. I think what's the most important thing, and I talk about this with clients a lot, it's first you have to start with why are you doing live-streaming? We know it works. We know it works in some markets. It doesn't work in the US yet today. There are many reasons, including we don't have 15 to 30 minute delivery systems that are profitable. So when you see something, you want it right away. That's the whole point of the live-streaming. It's really like as seen on TV, remember QVC, but on steroids. So there are lots of reasons to do it, lots of reasons to think about the product that you're going to choose to livestream against.

I actually don't even think you need an influencer. You can have a store associate or a random consumer that really likes something to talk about it. I think sometimes we think about opening your closet and talking about your product as live-streaming, which it is. But there are many other ways of doing livestream that can work. Understanding your KPIs, realizing you can reuse the content as user generated content and that has a life of its own is probably more important. Will it drive so much money in terms of sales in the US? Not yet. But is it a place where retailers need to think about putting some money? Absolutely.

Marcus Johnson:

Great answer. You went hideously long. But you've had a tough couple of months given the state of that garden.

Suzy Davidkhanian:

I know. Do you feel sorry for me?

Marcus Johnson:

Yeah, a lot. Not many people shopping via livestream. According to April Bizrate Insights survey, just 18% of US adults have shopped via livestream so far. Round two, we'll start with Stephanie, do specialty stores work? REI will open its second standalone store selling used gear and apparel. Writes Insider Intelligence, retail analyst, Zak Stambor, "The first REI resupply store opened in Manhattan Beach in California in 2020 selling lightly used products REI receives through returns and its trade-in programs." In other specialty store news, Walmart is closing its two pickup and delivery only concept stores located in Illinois and Arkansas, according to RetailWire. So we're talking about specialty stores. One, REI is about resale. Two, Walmart's specialty store was about pickup and delivery only concept stores. But Stephanie, do specialty stores work? What's the point?

Stephanie Taglianetti:

I feel like we've known for a while that they're not working well. Let me look at what happened to Bed Bath. And I know a lot of specialty stores are leaning into folks like Amazon that already have really strong e-commerce presences. I don't know, specialty stores just don't capture the desire for convenience with their small inventories. And I don't see a positive outlook, especially for those who are relying on physical retail.

Marcus Johnson:

Suzy?

Suzy Davidkhanian:

So again, I don't agree, but I'm going to make sure to stay on the 30 seconds.

Marcus Johnson:

Anywhere short of a minute would be ideal.

Suzy Davidkhanian:

Here too, I have so much to say. 85% of sales this year are in a store and I think the idea of specialty stores is actually technically it's like a Gap, right? It's a store that sells a specific, vertically integrated, like a Victoria's Secret. Yes, they're having a little bit of a tough time in terms of getting extra new eyeballs onto their products. So they're partnering with folks like Amazon, like how the digitally native folks partnered with Walmart or Target. So I think the answer is a store can't go at it alone. You need multiple channels. The idea of do they work or not? I think it just depends on what you're trying to do. So obviously the Walmart thing didn't work because the amount of things that you can have in a buy now, online, pick it up in a store is so limited in terms of the quantity of SKUs. So again, if you don't understand what you're trying to do, it's not going to work. But specialty stores like a Gap or Victoria's Secret just need to find more outlets to sell.

Marcus Johnson:

Evelyn?

Evelyn Mitchell-Wolf:

Yeah, I was going to say that specialty stores do work and have worked for at least as long as I've been alive. And I think it depends on what the store's specialty is. Like the REI example, the resupply store, it specializes in used items sold at a reduced price while the Walmart concept stores focused on a method of shopping and delivery. So it didn't offer anything special to buy. It didn't seem to have any sort of cost incentive like an outlet store. So I think the point is that a specialty store needs to offer something special that shoppers can't get anywhere else because shoppers expect an omnichannel experience wherever they go nowadays. Buying online and picking up in person, it's not special anymore.

Suzy Davidkhanian:

Can we just talk about how Coresight Research put out numbers that they anticipate 522 store closing in the US this year, but 1,846 opening. So like Evelyn is saying, it's not about the store physical aspect, it's just about understanding what you're trying to deliver to the customer.

Marcus Johnson:

Yeah. Zak pointing out that as you were all touching on, Evelyn saying at the end, it really depends on the store. For secondhand stores, they're seeing some momentum, partly because inflation is driving resale spending. Nine in 10 secondhand buyers said inflation impacted their decision to shop resale over the last year. According to OfferUp two in three consumers shopped for or bought goods via resale in the last 12 months, according to Morning Consult. We have some resale forecast numbers from our wonderful forecast team, resale volume to grow 8% to over 110 billion this year.

We're at the halfway mark. Let's have a look. Suzy out in front somehow with five, Evelyn with four, Stephanie with three. Move to round three. We start with Suzy. Facebook and Instagram to restrict news access in Canada, notes the BBC after Parliament passed a new controversial online news bill that forces big platforms to compensate news publishers for content posted on their sites. The article explains that Canada's new law, the Online News Act, lays out rules requiring platforms like Meta, Google to negotiate commercial deals and pay news organizations for their content. The law takes effect in about six months, but Suzy, Facebook and Instagram potentially restricting news access in Canada. What's the point?

Suzy Davidkhanian:

So the point is, headlines are important. That makes it sound so icky, especially in today's world, that they just don't want to have news on Facebook. But it's really just about royalties and compensation. I think the big ick factor for Canada is one of the biggest media companies is called CBC, which it's a Crown corporation. So it's almost like the government is trying to help itself by making sure that its own entities are properly compensated. So that seems a bit icky. I get where Facebook, Instagram, Google, even, it's a ton of them. They're not responsible for the stuff and the links that you're posting. So why should they be paying for that?

Marcus Johnson:

Evelyn?

Evelyn Mitchell-Wolf:

I've seen some Canadian publishers voicing their support for the law, and I get it. The power dynamics are not favorable when Google and Meta are responsible for driving so much traffic. But I do wonder if publishers are in for a rude awakening. It doesn't seem like Meta or Google is planning to fork over any cash to publishers unless the New York Times or another household name. So if traffic from social networks has dramatically reduced, monetizable audiences will likely get smaller, which means ad revenues will shrink. And I hope that doesn't happen. Publishers have enough going on with the deprecation of third party cookies and generative AI opposing an existential threat to the open web as we know it. But there's a reason things played out in Australia as they did. So I've I've got my eye on the situation.

Marcus Johnson:

Stephanie?

Stephanie Taglianetti:

Yeah, I agree with my colleagues. What's in it for Facebook and Instagram to fix a problem with journalism access in Canada when it's such a nominal factor in the company's overall earnings and is ultimately easier to withdraw than concede?

Marcus Johnson:

So do Canadians look at news on social media? One of the questions I had when they had a little look, Canadians over index on getting their news on social media, 2018 Pew Research studies showed that Canada was second only to South Korea in terms of accessing social networking sites to get news, 42% of people doing so. And then another survey, 52% for Canadians get their news from Twitter, Facebook, and Instagram, even more, seven out of 10 millennials according to a poll commissioned by the Canadian Journalism Foundation and conducted by Maru and Matchbox.

But I thought this this was interesting, Inside Intelligence briefings analyst, Daniel Konstantinovic, who we mentioned earlier saying California is considering a bill called the Journalism Prevention Act that would require big tech companies to pay publishers whose content is featured on their platforms. I saw something, as well I've seen in Australia. All right, moving into the final round, how are we looking? Suzy still ahead with seven points, Evelyn with six, Stephanie with five, but it's double points round four, more to play for. And we start

with Evelyn. Deflation to the rescue. US inflation slowed to 4% in May down from around 5% the month before, and now at the lowest level in over two years according to the US Labor Department. But Evelyn, deflation to the rescue? What's the point?

Evelyn Mitchell-Wolf:

I think consumer spending habits always lag reports of inflation, right? It's been over a year at this point since economic uncertainty started weighing on industry conversations and for a while I remember it being a key part of the conversation that consumer spending hadn't slowed down yet, but dot, dot, dot, and then the conversation wouldn't see from there. So I think signs of deflation are promising, but of course, it'll take a hot minute for consumers to feel comfortable loosening their purse strings, especially if they have any lingering debt that was accumulated over the past year.

Marcus Johnson:

Stephanie?

Stephanie Taglianetti:

And to your point, Evelyn, many consumers who are price conscious right now plan to sustain their cost-cutting habits even in the face of a better economy so that will remain unchanged. And US retail sales are expected to slow down this year and continue slowing through 2027 according to our numbers.

Marcus Johnson:

Suzy?

Suzy Davidkhanian:

I think this one's tricky because deflation implies the price of goods are falling, but it also means that the value of money is increasing and if that happens for too long of a period, you can go into a recession and a contracting of the economy. So I think there is this weird balance of trying to better understand inflation or deflation as a measure of a recession. And I would say probably consumer confidence is a little bit of a better way of measuring how consumers are feeling about the economy. Like Evelyn said, there is a lapse between how they feel and what they do. So I think we're going to see, but the deflation is not necessarily a magic number to help with getting out of the recession. I will also say I don't know that the

customer is now ready to continue to cut their purse strings. I just think that once they've converted to a different brand that was a cheaper price that they're happy with, it'll be that much harder for a retailer to bring them back.

Marcus Johnson:

A few things here quick. Food prices keep rising, ruining the party. Grocery prices rose 6% in May, according to the Bureau of Labor Statistics. Inflation is top of America's big concerns list at the moment, according to Pew research. It's just ahead of second place, healthcare. So inflation, yeah, coming down will have a fairly significant psychological impact, but inflation coming down isn't deflation. And then finally just other pressures. A student loan repayment is about to kick in for lower income Gen Z and millennial folks and also tighter SNAP benefits as well. That's all we've got time for the game of the week. Who won? Surprise.

Suzy Davidkhanian:

Suzy, Suzy.

Marcus Johnson:

It's actually a genuine surprise, Suzy.

Evelyn Mitchell-Wolf:

Woo, Suzy.

Suzy Davidkhanian:

Stop.

Marcus Johnson:

Evelyn eight. Stephanie seven. Well played, Suzy, you get the championship belt and of course the last word.

Suzy Davidkhanian:

I don't have the last word. I never win so I never come with the last word. And we already talked about my tomatoes and we've been running over, so I think we're good. I think what we should just remind people is it's summertime, drink a lot of water. There are a lot of weird weather patterns. Be safe.

Stephanie Taglianetti:

Wear sunscreen.

Suzy Davidkhanian:

Yes, very important.

Marcus Johnson:

Okay, use your last word to say wear sunscreen.

Suzy Davidkhanian:

Yes, absolutely. And go to the dermatologist.

Marcus Johnson:

Okay. Really, it's just a list of things.

Suzy Davidkhanian:

And plant tomatoes and if you want to plant tomatoes in your apartment, please ping me and I'll absolutely give you some-

Stephanie Taglianetti:

She will give you the hot tips.

Marcus Johnson:

Of what not to do.

Suzy Davidkhanian:

Of what not to do, absolutely. That's how you learn what not to do to make it better in the next time around. Well, you're lucky because otherwise my final word could have been, you all should sing me happy birthday.

Stephanie Taglianetti:

Is it your birthday?

Suzy Davidkhanian:

June 30th.

Stephanie Taglianetti:

Oh my gosh, Suzy.

Suzy Davidkhanian:

So I don't know, you pick what you prefer, talking about tomatoes or everybody sing me happy birthday.

Marcus Johnson:

That's probably not going to happen and you probably can't afford the happy birthday song either. So instead, we'll just say happy birthday.

Stephanie Taglianetti:

Do we want to sing?

Evelyn Mitchell-Wolf:

Sure.

Stephanie Taglianetti:

No, you guys can if you're feeling up for it.

Suzy Davidkhanian:

No, it's fine. Nobody can see that I'm smiling wide waiting to see if you guys are going to cave.

Marcus Johnson:

Yeah, that's not happening. Okay, that's what we got time for the game of the week.

Congratulations to Suzy. Happy birthday to you, of course. Maybe that's why you won, maybe not. Maybe I knew already it was your birthday and maybe that's why you won.

Suzy Davidkhanian:

I appreciate it. Whatever the reason, I appreciate winning.

Marcus Johnson:

It was that. It's time now for dinner party data. This is the part of the show where we tell you about the most interesting thing that we've learned this week. We start with Suzy.

Suzy Davidkhanian:

Cool. Well, because it is my birthday, I'm going with a YouGov late November 2022 survey around birthdays, and I'm just going to ask you a few questions. One of which is, do you know what percentage of people love or like having people sing happy birthday to them on their birthday?

Marcus Johnson:

No percent.

Stephanie Taglianetti:

5%.

Suzy Davidkhanian:

I am part of this, 43% of people.

Marcus Johnson:

No way.

Stephanie Taglianetti:

What? That's so awkward. What do you do? What do do with yourself when this is happening?

Suzy Davidkhanian:

I smile.

Stephanie Taglianetti:

You just smile?

Suzy Davidkhanian:

Yes. So there's still time if you want to sing. The other question is, what do you think is America's most favorite birthday cake flavor Style?

Marcus Johnson:

Chocolate.

Evelyn Mitchell-Wolf:

Confetti.

Stephanie Taglianetti:

Ice cream cake. Ice cream cake.

Suzy Davidkhanian:

I grew up having ice cream cakes because it was a summer birthday. 13, number two, 13%. Number one chocolate cake, Marcus, 24% said that that was their most favorite. The number three is cheesecake tied with vanilla cake.

Stephanie Taglianetti:

What?

Suzy Davidkhanian:

It was a big sample size, so it's not faulty. When Americans celebrate their birthdays, what are some of the things that they think about or how do they celebrate their birthday?

Evelyn Mitchell-Wolf:

Big meal. That's what I do.

Stephanie Taglianetti:

Party, drink.

Suzy Davidkhanian:

This made my heart warm. 54% said that they thank God for being alive. Oh, that is so sweet. 50% spend time with their family nearly every year. 41% open presents. Have a special meal, 40% at number four. And then number five is reflect on your life, 38%. Do you know how many have others sing Happy Birthday to them nearly every year?

Stephanie Taglianetti:

40%?

Suzy Davidkhanian:

34. I'm part of this 34.

Marcus Johnson:

That's too many. It's the worst song.

Suzy Davidkhanian:

There are many more, but I'm going to spare you all the other ones.

Marcus Johnson:

Thank goodness. Very nice. Evelyn, you're up.

Evelyn Mitchell-Wolf:

All right. So the Appalachian Mountains formed around 480 million years ago, and I got this idea from-

Marcus Johnson:

You said it like they were a band.

Evelyn Mitchell-Wolf:

Yeah, they basically are.

Stephanie Taglianetti:

A band of mountains.

Evelyn Mitchell-Wolf:

I got this idea from TikTok, but I went through and fact checked everything. So this is corroborated by museum researchers. I present to you things that the Appalachian Mountains are older than ranked in order of least ridiculous to most ridiculous.

The Appalachian Mountains are older than the Grand Canyon, which began forming between five and six million years ago. The Appalachian Mountains are older than dinosaurs, which first appeared around 230 million years ago. The Appalachian Mountains are actually older than the first animals that lived on land. Millipedes took their first of many, many steps onto land

more than 420 million years ago. The Appalachian Mountains are also older than trees, which first appeared almost 400 million years ago. The Appalachian Mountains are older than Saturn's rings, which formed between 10 and 100 million years ago, which is a pretty large range, but either way, still much younger than the Appalachian Mountains. And finally, the Appalachian Mountains are older than teeth. The earliest teeth date back to at least 410 million years ago when they were found in fish.

Suzy Davidkhanian:

That's wild.

Evelyn Mitchell-Wolf:

I know. It's the teeth that got me, I think.

Marcus Johnson:

Yeah, no one was expecting that.

Suzy Davidkhanian:

On fish.

Stephanie Taglianetti:

Yeah, on fish.

Marcus Johnson:

Very good. Fascinating. Stephanie, you're up.

Stephanie Taglianetti:

Have Independence Day data.

Marcus Johnson:

Oh yes.

Stephanie Taglianetti:

4th of July weekend kick out.

Suzy Davidkhanian:

Also Canada Day.

Stephanie Taglianetti:

Also Canada Day.

Suzy Davidkhanian:

It's July 1st.

Stephanie Taglianetti:

Also that.

Marcus Johnson:

That too.

Stephanie Taglianetti:

We're talking about the 4th of July, some NRF data. 87% of people plan to celebrate the holiday this year. More people are attending cookouts than any year since 2019.

Marcus Johnson:

They're back.

Stephanie Taglianetti:

They're back.

Marcus Johnson:

Yes.

Stephanie Taglianetti:

Cookouts are back in a big way and the average person plans to spend a little over \$93 for food items on the holiday. However, inflation impact isn't out of the question in terms of spending on Independence Day. Two-fifths of respondents said that inflation or a potential economic slowdown would impact their Independence Day plans this year. Three-quarters are looking for ways to save money on the holiday this year, which includes 52% of respondents who plan to buy items on sale for the holiday. Three in 10 are going to prepare budget friendly

foods. 27% will use more coupons this year. 20% will shop at dollar or discount stores and 11% will buy smaller items in hopes of saving some money this holiday.

Marcus Johnson:

Why on this one day when you decided to go alone, do you flip the date around. Why just on this one day do you say it the correct way, 4th of July, not July 4th?

Stephanie Taglianetti:

Got nothing.

Marcus Johnson:

Okay. Just checking.

Stephanie Taglianetti:

Got nothing for you.

Marcus Johnson:

All right, fine. We can correct that. I appreciate it. Very good. Very nice. One for you real quick, work-life balance around the world. First of all, we'll talk about how many hours people work. This is from the OECD. I know, too many. 2020 to 2021 numbers, they've done total hours per year, but you can still rank them. So Mexico tops the list where the average worker clocks over 2000 hours a year. Workers in Mexico typically work a six-day work week.

Stephanie Taglianetti:

Oh.

Marcus Johnson:

Yeah. Then Germany, is it the bottom of the list with 1,400 hours. One reason is there's a-

Suzy Davidkhanian:

1.4 hours a week in Germany.

Marcus Johnson:

Lazy.

Stephanie Taglianetti:

Expat on the 4th of July, right here.

Marcus Johnson:

So one reason that Germans work way less hours is because they have a law in Germany that states daily hours of work may not exceed eight hours, days can be extended into 10 hours, but only if it averages out to eight per working day. That's over a six-month period. For reference, the UK is nearer the bottom with 1,500. The US is nearer the top with 1,800.

Evelyn Mitchell-Wolf:

I've also heard that in Germany that you can get a prescription for burnout, where that if you're burnt out from work, your doctor will say, "Okay, here you go. You don't have to work. You can get go on paid leave for I think like four weeks or something."

Stephanie Taglianetti:

Whoa.

Evelyn Mitchell-Wolf:

So Germany's really looking out for their labor population.

Stephanie Taglianetti:

Pretty good.

Marcus Johnson:

Definitely moving after this show. Finally, which cities offer the best work-life balance? Forbes advisor analyzed a bunch of things. The World Happiness Index, working hours, minimum annual leave across 128 cities worldwide. The top four cities were-

Suzy Davidkhanian:

Toronto?

Marcus Johnson:

No,

Suzy Davidkhanian:

Montreal.

Marcus Johnson:

No. Don't just say Canadian cities.

Suzy Davidkhanian:

Vancouver?

Marcus Johnson:

No, no, it wasn't it in Canada.

Stephanie Taglianetti:

Oslo.

Marcus Johnson:

Bang. Yeah, Oslo was fourth.

Stephanie Taglianetti:

Ooh, nice.

Marcus Johnson:

Evelyn, any guesses?

Evelyn Mitchell-Wolf:

Munich.

Marcus Johnson:

No, interestingly, there are no German cities that made the top 25.

Stephanie Taglianetti:

Zurich?

Marcus Johnson:

That did. Yeah, that one did make the top 25.

Suzy Davidkhanian:

You know why there are no Canadian cities, same as Germany, such hard workers that they're not going to make it into the top 20.

Marcus Johnson:

Yeah. So top four cities were-

Stephanie Taglianetti:

Just rattling off Nordic cities because I know they got great-

Marcus Johnson:

Basically, yeah. The top four cities were all them are Nordics. So the city of Copenhagen in Denmark came out on top. So Copenhagen came out on top. Their unemployment rate close to 2%. They offer 52 weeks parental leave. The mother has the right to four weeks before the child's birth, 14 weeks after. And then the parents distribute the remaining 32 weeks of parental leave between them, so interesting 52. Helsinki, Finland came second. Sweden's Stockholm came third. Norway's Oslo was fourth. And Freny Fernandes, a visual capitalist pointing to healthy lifestyles, generous vacation and parental leave policies as to why they were a top of the list.

The average employee work week in the capitals of Finland, Sweden, Norway, all below 30 hours. They all work less than 30 hours a week. Sounds magical. The only non-Nordic country in the top five was Auckland in New Zealand. They came in fifth. That country averages just 26 hour work week with a year's worth of parental leave. Full-time employees get at least four weeks paid leave and 11 public holidays per year. And then finally, 20 of the 25 cities with the best work-life balance were in Europe, the UK, proud to say, claimed four of the top 25 cities. The US did not have a single city in the top 25. Sweden had two cities in the top six.

Evelyn Mitchell-Wolf:

Color me shocked.

Suzy Davidkhanian:

But I guess if they're including parental leave, the US gets a big ding on that one and vacation days.

Stephanie Taglianetti:

My cat just started meowing. Sorry, can you hear that?

Marcus Johnson:

It's because they're furious about this. They're like=

Stephanie Taglianetti:

He came over and and he's like, "Run. They don't have good pet insurance either."

Marcus Johnson:

He or she.

Stephanie Taglianetti:

He, Rodger.

Marcus Johnson:

He's got a good point. That's what we've got time for today's episode. Thank you so much to my guest for hanging out. Thank you to Stephanie.

Stephanie Taglianetti:

Thanks for having me, mate.

Marcus Johnson:

Of course. Thank you to Evelyn.

Evelyn Mitchell-Wolf:

Thank you. Thank you.

Marcus Johnson:

And thank you to Suzy, this week's winner of the game of the week.

Suzy Davidkhanian:

Thanks so much, an amazing birthday gift.

Marcus Johnson:

Happiest of birthdays to you.

Suzy Davidkhanian:

Thank you.

Marcus Johnson:

Thanks to Victoria who edits the show, James, who copy edits it, and Stuart, who runs the team. On behalf of the whole Behind the Numbers Podcast crew, me, Victoria, Stuart, and James, Happy fourth. Happy long weekends to folks. Happy Independence Day in the US and Canada and honestly, thank you guys so much for listening to the show. You let us create this podcast for you guys every day and we really appreciate every moment of your time that you give to hanging out with us and listening to the show. So thank you. We'll hopefully see you guys on Monday for the Behind the Numbers daily, an eMarketer podcast. We will have an episode for you on Monday the third, We are off the fourth, back on the fifth. Happy, happy long weekends.