


The Weekly Listen: What happens now that the actors strike is over, how the Super Bowl is changing, and what's next for WhatsApp?

Audio



On today's podcast episode, we discuss what happens now that the actors strike is over, how the Super Bowl is fundamentally changing, whether live sports need new shorter content, what's next for WhatsApp, why people immigrate to the US, and more. Tune in to the discussion with our forecasting writer Ethan Cramer-Flood, forecasting analyst Zach Goldner, and director of forecasting Oscar Orozco.

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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 agrees tomato soup is the best soup. Right, guys?

Zach Goldner:

With grilled cheese, it is.

Ethan Cramer-Flood:

No one agreed to that. No, that was not agreed upon.

Zach Goldner:

Nope. Chicken noodle.

Marcus Johnson:

We will...

Oscar Orozco:

Chicken noodle.

Marcus Johnson:

Chicken noodle?

Oscar Orozco:

Classic. Always classic.

Marcus Johnson:

No.

Oscar Orozco:

You know me, Marcus.

Marcus Johnson:

I can't be around that. Ethan?

Ethan Cramer-Flood:

A tomato soup or, as normal people say, a tomato soup is delicious.

Marcus Johnson:

Normal people?

Ethan Cramer-Flood:

But no, it is not number one.

Marcus Johnson:

Tomato.

Ethan Cramer-Flood:

It's not even top five, but it is good.

Marcus Johnson:

Not even top five?

Oscar Orozco:

Yeah, absolutely agree.

Marcus Johnson:

Ethan's off the show. Goodbye to Ethan.

Oscar Orozco:

Marcus, if I will, I think we can all agree on we're thankful that it's finally soup season.

Ethan Cramer-Flood:

True.

Marcus Johnson:

I think we can all agree on that.

Oscar Orozco:

That's true.

Marcus Johnson:

We can.

Oscar Orozco:

Good point.

Marcus Johnson:

We can also agree that tomato's the best. Victoria, if you could just cut around what the guys have said and make it sound like it is, that'd be great. In today's show, I'm Marcus, by the way, your host, the actor strike is over. So now what?

Oscar Orozco:

The other now what for me is now what, can we talk about the consumers, the real people who are suffering here, the ones who are really reaching a breaking point who are maybe fed up with the industry a bit?

Marcus Johnson:

Is the Super Bowl fundamentally changing?

Ethan Cramer-Flood:

The Super Bowl feels bigger than ever because it is in a relative sense. It's the only thing out there where advertisers create ads for their ads, right? Nothing else does that.

Marcus Johnson:

Does live sports need new, shorter content?

Oscar Orozco:

By embracing these shorter clips, we're able to embrace our shrinking attention span and would be able to deliver electrifying highs of a game without the same time commitment that

a hours' long football game or basketball game could take.

Marcus Johnson:

What's next for WhatsApp, and why do most people immigrate to the US? Join me for this episode, we have three people. Let's meet them. We start with our principal forecasting writer based in New York, it's Ethan Cramer-Flood.

Ethan Cramer-Flood:

I am here. What's up?

Marcus Johnson:

Very excited. Maybe too much. We're also joined by one of our directors of forecasting, also based in New York, it's Oscar Orozco.

Oscar Orozco:

Hello, everybody. Hey, Marcus. Happy to be here.

Marcus Johnson:

Hey, chap. And finally, we have one of our senior forecasting analysts based in Colorado, it's Zach Goldner.

Zach Goldner:

Hey, Marcus. Hi, everyone.

Marcus Johnson:

Hello indeed. What do we have in store? Well, folks, we start with the story of the week. The actor strike is over, so now what? We'll discuss. We then move to the debate of the week. That's what we have this week for you, where our panelists will try to convince you of their different arguments. We've got three different questions to present to them, and we end with some random trivia. We call that Dinner Party Data, but we start, of course, with the story of the week.

The actor strike is over. Now what? After four months, the actor strike is over after they reached a deal with the studios and production companies. What's in the deal though? Alissa Wilkinson of Vox was giving some of the highlights. Increases to minimum compensation and

pension and health plans, provisions for consent and compensation to protect members from threats posed by AI. Also, a streaming participation bonus so workers who are part of successful streaming shows and movies are compensated accordingly. Also, more money for background workers, or extras as they're often called. Plenty of other stuff as well. This ends about half a year's worth of TV and movie production shutdowns since the writers strike started two months before the actor strike took to the picket line. Gents, the actor strike's over. Now what? What's some of the fallout from this?

Ethan Cramer-Flood:

I mean, now the hard part begins unfortunately, right? I think the initial response by most of the public and even many in the industry was, "Thank goodness. Our long winter is over. Now, it's spring." But in reality, it's more like the work can begin with a goal of an eventual springtime that will perhaps come many years from now because in the interim period, things are going to be very, very difficult all across the board for basically everyone involved in this process even though this was a successful outcome for the union, both for the writers and for the actors.

They got a lot of what they want and they're all very happy, but the reality is that this is a difficult time for the entire industry, and the fact that they did such a good job with the union negotiations means that the cost structure is going to increase for all these productions, and what we're going to see going forward is fewer projects, which just creates a difficult dynamic for the folks in Hollywood in around the entertainment industry that are able to get work going forward are going to have a much better time of it. They're going to have a better life, better work-life balance, better compensation, better future, but there's just going to be less going on, and this all happens at the same time when the large media conglomerates and the streaming services are under enormous financial pressure. They're already losing money, depending on how you slice it in a lot of different ways, and now things are just going to get more challenging.

I think in the future, this sets them up for success, but it's going to be a couple years because until the dynamics of streaming profits and losses get figured out, we're not going to be able to get back to any future golden age, and it's just going to be tough for a while.

Marcus Johnson:

It's a vicious irony here, isn't there? Because they're fighting and won for better working conditions in a lot of respects, but as you pointed out, because of the shutdown, there's now going to be less work to go around. In one of the Times articles we were reading for this, Brooks Barnes noting higher wages that were negotiated could add 10% to the cost of making the show, so studios likely to cut back on production to compensate. Hulu expects the number of new shows it makes in 2024 to fall by a third, from 2022, even before the strikes, entertainment companies were cutting back on the number of shows they were producing because Wall Street was focusing more on profitability.

And that's not just Hulu. Also, 600 adult-scripted series were made in 2022 across all different streaming platforms, and some analysts think that by 2025 that will be closer to 400, also falling by about a third.

Zach Goldner:

So I think the strike has ended, but Hollywood is not exactly rolling out the red carpet anytime soon.

Marcus Johnson:

Okay.

Zach Goldner:

So we're stuck with the bill.

Marcus Johnson:

Another pun. I see what you did.

Zach Goldner:

Hulu's cutting shows, Disney is having a yard sale, and Leonard's also in a funk, and I hate to say it, but I think the reality is no one has really won from this outcome. Unfortunately, I don't think the actors really had enough leverage from the negotiations. And I think the article mentioned that the value that they were able to negotiate was, was for \$1 billion in added value. And that seems like a big win, but what I've also heard from estimates is that this shutdown of nearly half a year, cost the economy anywhere from 5 billion to \$7 billion, so there's a lot of pause work. I just hope that these actors can get back to what they do best: making great shows and giving us entertainment. In the meanwhile, another one of these

strikes just costed a lot of time and money, and it's hard to see really what actors won too much in the end.

Oscar Orozco:

Yeah, I mean, to Ethan's comment, which was long-term, this will be positive. I'm coming out of this feeling the opposite here. I'm not quite sure what the path to success is for these streaming platforms specifically. I think what we're... The now what is, we're really witnessing a race to the bottom here, and I know you've mentioned that Marcus, Netflix, Hulu, Zach as well, currently profitable, but they're not immune from what's to come here. They're not at all.

Marcus Johnson:

I mean they're profitable, but Warner Brothers discovery, their Max service will turn the profit this year and then Disney plus Paramount plus Peacock, they are all losing money. Peacock lost 3 billion recently, so Netflix and Hulu, the only ones actually turning a profit at this point.

Oscar Orozco:

Yeah, exactly. I mean, and it is that race to the bottom. I mean I think the other, now what for me is now what can we talk about the consumers, the real people who are suffering here, the ones who are really reaching a breaking point, who are maybe fed up with the industry a bit. I really think, and I think one of the content articles you sent us, Marcus, was talking a little bit about mergers. To me that seems like the only clear path forward for a lot of these platforms and I think we should expect to see more of that and I think it needs to happen.

Right now, prices are up, consumers are fed up, they don't even know what they want. They are almost at the point where they can't afford to access all of these platforms to see everything they want to see. So it's time to think about the consumers and what the consumer needs and it's hard to think that that will be at the forefront when, as Ethan mentioned and what we're talking about, profitabilities down, costs are going to be higher. So it's just a mess for me and that's why long-term, I'm not seeing, like I said earlier, a clear path to success here.

Ethan Cramer-Flood:

Totally agreed there, Oscar. One other point to that as well is consumers are going to be on the losing end of this, at least this upcoming spring, that scripted shows aren't going to be coming out in the same way they had. You're going to see a lot of reality TV show, so those that love Love Island, Oscar, I'm talking to you, or Love is Blind, I think you're going to see a

lot more of those shows continue to come out. The cost of those services are going to remain elevated, and you might also see some great [inaudible 00:09:57] films. I know Korea's had some great films have come out in recent years. Maybe you'll continue to see that unfold in the coming months and year.

Oscar Orozco:

And not everyone's as easily entertained as I am. I will admit that Zach, but yes, the content will suffer as well, and the sort of expensive content we mentioned, production costs will likely be the first thing to be cut down a bit, just means that we're going to get less quality content undoubtedly.

Ethan Cramer-Flood:

Well, it may or may not. That's exactly what I was going to speak to. If all of these companies collectively reduce their output by 30%, which is what some of the analysts are saying, we're all going to get a lot less TV shows and a lot fewer movies. However, that may force the focus of the creators and the studios to increase and you make it more quality, right? If you are making fewer products, you might make better products because their ultimate mandate is to come up with hits, right? They need box office hits to make money. They need prestige TV hits to draw people into paying for subscriptions, so they can't afford to just put out all this crap really, and there are a lot of genre fans out there that would be perfectly delighted if there was less stuff.

On the other hand, you might also be right if they create 30%, we'll never know what great show or movie just doesn't get made, it just won't exist. We won't even know that we're missing it and there's going to be less. There's just going to be less out there at least next year and probably the year after that, that's going to make it. Everything's going to get more difficult for everybody.

Oscar Orozco:

And I think the strategy of trying to find that hit, that stars show that can drive a platform. Again, I don't think that's long-term the solution for these platforms. There are so many now that that alone cannot sustain them and I think that's part of the problem too, so it's just something to think about.

Marcus Johnson:

Passing through this. It is hard to find apart from like we said, these folks were able to negotiate increases in compensation, pensions, health plans, protections, provisions against AI streaming participation bonuses, a lot of good stuff here, more money for background workers, but it does seem like there are a lot of folks who are losing out. Going back to the actors for a second, some actors are losing work, not just because there are less shows to go around, but because of the scheduling of things. So the Cole Sperling of the New York Times highlighting an example in which British actress Daisy Edgar Jones had a schedule set up to accommodate two jobs, one and then the other, but with entertainment industry rushing to make up for months of lost work, saying there is suddenly a pileup of projects in various states of readiness.

And so they're going to have to pick and choose between projects because movies, they're all going to want to start back up at the same time. The counter argument to that is because studios are desperate to fill roles and get started, you might see work spread around to the less high profile actors, which could be good.

Ethan Cramer-Flood:

Marcus, one last quick point on that, is you see the top a hundred actors or so, the top actors and actresses in Hollywood, they're the ones making over half of the revenue from the films and that's really not talked about, not so I think that might be one of the next steps need to be made, be able to have more equality in that sphere, in that realm.

Marcus Johnson:

Yeah, that's a good point. So actors, a lot of them, particularly the ones who aren't making millions and millions, they're going to suffer to a certain extent apart from getting a lot of what they wanted. You've also got small independent studios. A lot of them may close down because as the Times was pointing out about 90% of the production space in LA is rented out project by project, so a lot of them are just going to go under just because they haven't had projects to keep the lights on. We talked about folks, the consumers, how streaming prices might continue to go up. Netflix already said they're putting their prices up because of these strikes. Cinemas, they weren't exactly having a great time pre-Strike, according to Box Office Mojo 2022 movie theater ticket sales in North America was still down by 35% from pre-pandemic 2019.

So that wasn't going great either, and it's just going to take a long time to get things back up and running. Studio executives will have to add between 500,000 to \$4 million to budgets to get things back up in terms of they've been maintaining leases for sound stages, keeping rented equipment out so that they can just start as soon as the strike ended. And studios now having to hurry up to get actors ready, writers, crew, and you've got Thanksgiving next week, you've got Hanukkah three weeks, you've got Christmas in five weeks. So a lot of projects might not start until next year in terms of production. Finally, on this, yeah, our studios aren't out of the Hollywood's just yet.

Zach Goldner:

I like that.

Ethan Cramer-Flood:

No, now no one even wants to hear what you were going to say.

Marcus Johnson:

See what we've done.

Ethan Cramer-Flood:

Well, man of this moment.

Marcus Johnson:

Yes. Let's move on as quickly as possible. With the contract with the International Alliance of Theatrical Stage employees. That's the union that covers crew, hairstylist, drivers, editors, things like that, that expires next summer. And there are other unions also popping up. Production workers at Walt Disney animation and visual effects workers at Marvel both voted to unionize as well. So yeah, plenty more to watch for with this story just because the two sides of coming to a deal, the actors and the studios, and also the writers about a few weeks ago, there's still a lot to follow and a lot that we'll be developing. Let's park the story of the week there for now. We move of course to the debate of the week. Today's segment make the case.

Raw panel. Zach, Oscar and Ethan 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. Their job is just to

present the best case regardless as lawyers would do if you will, and offer objective analysis. So we start with the first story here. It's going to be Ethan going up against Zach. Question one. The Super Bowl is fundamentally changing. CBS is virtually sold out of Super Bowl ads pacing ahead of schedule. Notes Bill Bradley of Adweek, the media Giant said its broadcast of Super Bowl 58, its upcoming broadcast, was among the most sought after inventory during its 2023, 2024 upfront negotiations. Last year's Super Bowl shown on Fox was the most watched Super Bowl ever with an average of over 115 million viewers. 115 million, Mr. Bradley was noting, but the question here is the Super Bowl fundamentally changing and Ethan's going to go first. The Super Bowl experience is fundamentally changing, is what you're arguing 60 seconds on the clock make the case?

Ethan Cramer-Flood:

Well, the Super Bowl experience will fundamentally change if you're a kid because we're getting the slime bowl on Nickelodeon simulcast, which I think is probably pretty good news for a certain demographic.

Marcus Johnson:

Oscar.

Ethan Cramer-Flood:

Yeah, mainly Oscar.

Oscar Orozco:

They had it last year, didn't they? Am I wrong?

Ethan Cramer-Flood:

No one else would know Oscar and then they accept you.

Oscar Orozco:

It was the playoffs, it was just in the playoffs. It's a playoffs' phenomenon. Now it's coming to the Super Bowl.

Ethan Cramer-Flood:

It was a lot of fun. Did a great job.

Oscar Orozco:

Yeah, the change, I mean, first of all, I'd like to point out that Marcus sent along a series of reference articles for this debate, none of which involved anything related to the Super Bowl fundamentally changing and then tasked me with making the case that it has fundamentally changed, so I appreciate that.

Marcus Johnson:

Yep.

Oscar Orozco:

So...

Marcus Johnson:

Curve ball.

Oscar Orozco:

... I'm going to cheat and I'm going to say yes, there's a big change here. It isn't so much the Super Bowl wherein this year's Super Bowl it's going to be the same as last years, and the same as what it has become, but what has changed is everything else. The Super Bowl is unbelievably important and more so important than ever and continues to get even more important mainly because there are no other options out there. Our society and our culture used to have a whole bunch of different things that brought us all together. Lots of potential TV events throughout the course of the calendar year where advertisers and marketers could leverage enormous audiences and they're one by one by one, they all fall by the wayside, and now the Super Bowl is the only thing left that really, I mean not even half of Americans actually watch it, but the fact that the third do, I mean there's nothing that really even comes close to that to that.

Maybe the Summer Olympics once every four years has some numbers that can compete with that, but otherwise things like the Academy Awards or other sporting events or TV shows where the finale of a popular show could get those kinds of numbers, that's all gone. So the Super Bowl feels bigger than ever because it is in a relative sense and it's the only thing out there where advertisers create ads for their ads, right? Nothing else does that. Yeah, it's just getting bigger and bigger and that to me is why it feels like there's something changing.

Marcus Johnson:

Very nice, Zach, the Super Bowl experience isn't fundamentally changing. Make the case.

Zach Goldner:

Let's be honest here. Does having a slide film alternative broadcast really a game changer? No, it's not. Did you watch...

Marcus Johnson:

You hear that Oscar?

Oscar Orozco:

I think you saw my reaction.

Zach Goldner:

Oh, did you watch the 49ers versus the Eagles game from last year where they did have slime, not even Patrick Starr could save that blowout of a game and increase those ratings. Sorry, Oscar by your 49ers, but not even slime can save them, but the Super Bowl is an entertainment event. It is the biggest thing in the US and the only thing that can change it, is for the US to finally make the day after a national holiday. That's right, Joe Biden, I'm talking to you, but just because let's say the advertisements are changing and people are waiting for the next Doritos or stock trading baby advertisement, it doesn't mean the game is. The game is the same, the halftime show might change, but the tradition remains true. An advertiser should keep putting their dollars there because it seems to really make a greater to nonprofit.

Marcus Johnson:

Just turned into a big filibuster. Didn't realize you were going to be pushing legislation. Zach, but I agree with you. I take the day off the next day.

Zach Goldner:

I'd lobby for that.

Marcus Johnson:

Yeah, Stuart, he runs the team, maybe we could look into that. That'd be good. If Biden's got other things to worry about, we could get that maybe a local level. So it's interesting, yeah, I

mean potentially becoming more global. I couldn't find the numbers on how much this has grown, but this was fascinating to see how many people watched the Super Bowl in other countries. According to the NFL, over 56 million people watched the Super Bowl in 2023 from outside of the US. That includes 21 million folks in Mexico, 17 million in Canada, over 2 million in Brazil. At least three people in the UK who I could think of. So yeah, it's interesting how it's becoming more global. Oscar, anything to add here? Do you think it's changing, fundamentally?

Oscar Orozco:

That specific stat was actually what I was going to talk about and that's why to me, even though both guys made great points here, but to me it is fundamentally changing a bit. I mean the global expansion is like you said, those numbers, I had never seen those. It's staggering, and so if it continues to expand overseas, we're talking about something else, it could start looking more like a World Cup or an Olympics and not just a US based event.

Marcus Johnson:

Yeah, hosting a lot more games abroad. They've had a bunch in the UK for a while, Germany, now Mexico, so yeah, it seems like it's helping to some extent. Let's move to question two. We've got Zach going up against Oscar. Does live sports need new shorter content? So Wayne Friedman of media posts thinks it might, he cites an Altman Solon survey showing that eight in 10 industry executives believe there will be a need to expand sports content beyond live sports broadcasts and airings. So the question here is, does live sports need new shorter content? Zach is arguing that live sports does need new shorter content. 60 seconds on the clock make the case.

Zach Goldner:

Well we're living in the age of TikTok and Instagram Reels. Short video right now is king. I'll ask all of you guys, have you been around any kids in the last few years?

Marcus Johnson:

I try not to be.

Oscar Orozco:

Yeah, same.

Zach Goldner:

I've seen a fly with a longer attention span than my little cousin and I love my little cousin, but shorter video are...

Oscar Orozco:

Brutal.

Zach Goldner:

... Becoming more and more important to be used during breaks, halftime, and to keep engaged with fans, and by embracing these shorter clips, we're able to embrace our shrinking attention span and would be able to deliver electrifying highs of a game without the same time commitment that a hours long football game or basketball game you can take, and we can bring those into bite-sized moments on social media. It can be easily monetized by advertisers. So you're giving a separate option by having not just the long form content but really embracing having smaller and smaller sizes and shoving out that content mid-game and after game as well for audiences to keep with their fandom.

Marcus Johnson:

How old is this cousin of yours?

Zach Goldner:

11.

Marcus Johnson:

Okay. This acts like this 2-year-old just won't focus. Oscar life sports.

Zach Goldner:

It's tough.

Marcus Johnson:

Doesn't need new shorter content. Make the case.

Oscar Orozco:

Let me give you guys a stat. Did you know that last year approximately, this is a rough estimate, but 80% of the most viewed programs in the US last year were sports matches, games, anything sports related? 80%. Does that sound like something that needs something new at all? No. No, sports is a legacy. It's something that has been passed down from generation to generation at this point. It doesn't need anything new. A lot of what Zach was referring to exists, and sure it can help prop up the actual games a little bit. I think it helps with engagement, but sports doesn't need anything, any sort of shorter content or we don't need to make games shorter than they already are, things like this. I think we're conflating two things here, and it was something that Marcus, who sent in one of the articles, which was: sports content does have accessibility issues right now. People have to subscribe to multiple platforms to access their favorite leagues and it can get pricey.

And that's the other point, especially globally, where I've seen stats where people have to spend 10, 15% of their take home monthly pay to see their favorite sports team. And that's really the main problem, but it's not that sports needs any sort of shorter content or anything to make it any different than how it already is.

Ethan Cramer-Flood:

Oscar, I'll ask you this. You say nothing needs to be changed. Have you watched the last two minutes of a basketball game? It can be unwatchable. Something needs to be done that if you can't sit around...

Oscar Orozco:

You're watching the jazz...

Ethan Cramer-Flood:

20 minutes.

Oscar Orozco:

... Is that wise?

Marcus Johnson:

Yeah, I can see that.

Oscar Orozco:

It's working. It's working, Zach. I think people are tuning in. The NBA is extremely popular, especially with younger consumers just saying.

Zach Goldner:

It's interesting. See, I mean Oscar, your point about accessibility, yes, six in 10 global sports fans have at least one accessibility issue according to that Altman survey, most 35% say it's too expensive, 30% don't know the channel, what channel it's on, 28%, don't know what platform it's on. They're only 40% of folks saying they had no problem accessing their essential sports and who those folks were, I don't want to be you guys. I was wondering whether we're going to see a competitor bundle or package at some point that could benefit both parties because Oscar, like you were saying with football, with soccer, you have to subscribe to so many different services, and if they got together and said, "Okay, here are those channels. If you are a supporter of Israel Madrid, right?" Is that who you're a fan of?

Oscar Orozco:

No, it's been Barcelona... [inaudible 00:25:03]

Zach Goldner:

Ho ho ho, Barcelona.

Oscar Orozco:

[inaudible 00:25:03] ... For example my friend. Come on.

Zach Goldner:

I knew that, but yeah, if your friends with Barcelona...

Oscar Orozco:

And its not just soccer here, but go ahead. It's too fun [inaudible 00:25:08]

Zach Goldner:

No, absolutely true, but if they got together and said, "Okay, here are the games", if you are a fan of that team, they're going give you all these games across these different platforms and they split the revenue accordingly. Maybe we'll start to see that because otherwise you get

folks who just aren't able to find the game slash pay for the games and that's lost money for everyone involved.

Oscar Orozco:

Exactly. Yeah. More curated. I agree. I think that that's really the issue, but sports, it's great as it is. Let's not touch any of these leagues please.

Marcus Johnson:

Ethan, agree?

Ethan Cramer-Flood:

I mean, I agree that if it's the Jets or the Giants on my TV screen, then we need shorter content because every minute that I'm forced to watch those two.

Marcus Johnson:

Stuart who runs the team, did you hear it?

Ethan Cramer-Flood:

Instead of anything else, it's just too long, but no otherwise, otherwise no...

Marcus Johnson:

Terrible.

Ethan Cramer-Flood:

Clearly when the game is on, the ratings are high and as soon as the game ends, the ratings drop. So no, it doesn't need to be shorter.

Marcus Johnson:

Some interesting ideas of how to change up the content though from this survey, 74% of people think live sports content will be infused with other media experiences, better stats, more immersive features, personalized content was up there, fan loyalty features, fan generated content, and also building a related format such as gaming, podcasts and news as well. So maybe we'll see some ancillary things happening, but in terms of changing the actual program, perhaps not. All right, let's move to our final question for this segment. Question

three, what's next for WhatsApp? Oscar against Ethan? Facebook, now Meta, bought WhatsApp for nearly 20 billion a decade ago and has amassed about 2 billion users worldwide. Meta CEO, Mark Zuckerberg, describes it as the private social platform of the future, saying it is the next chapter of his company, WhatsApp that is, to make money. WhatsApp started offering pay tools and custom apps for businesses that wanted to communicate with consumers.

I also just unveiled channels a feature that lets people follow status updates from influencers and brands, including things like the New York Times, which has over a million followers on its channel on WhatsApp, but the question is, can Meta squeeze a lot more juice out of WhatsApp? Oscar arguing Meta can squeeze a lot more juice out of WhatsApp. What's, sorry? Nope. What's the point? That's another game. Make the case Oscar and some points along the way.

Oscar Orozco:

Well, can it? Absolutely. I mean I think we can say that it was the best decision that Mark Zuckerberg has probably ever made to buy WhatsApp. You said for 20 billion? It's already...

Ethan Cramer-Flood:

[inaudible 00:27:30] His wedding aside.

Oscar Orozco:

Yes... can't speak...

Ethan Cramer-Flood:

I'm pretty sure Instagram's pass paid off considerably more...

Marcus Johnson:

Raising a family...

Oscar Orozco:

I think it might be WhatsApp. I really do. I mean I think that there's... We're just seeing the beginning of what WhatsApp could become truly. He's been talking about the interoperability of the meta suite of apps for a long time and we're finally starting to see that come to fruition, what it can be. And I think the power of meta, right? Facebook, ig, WhatsApp, Facebook

Messenger, there's so much potential there. Sure, maybe you can argue that it might become something that core users don't want it to become. We might end up losing the encryption that we've seen for a long time. It might start becoming kind of like a social platform, but there's so much potential there. We talked about businesses, messaging, social commerce, the way that they're monetizing it overseas. Again, I think that WhatsApp is an exciting platform. We're going to see a lot more from them.

Zach Goldner:

I'd like to quickly interrupt and say that Mark Zuckerberg's...

Oscar Orozco:

Objection from Zach.

Zach Goldner:

... Best business decision was not fighting Elon Musk in that cage match, but I defer.

Oscar Orozco:

You guys made some good points. But it's WhatsApp, it's WhatsApp.

Ethan Cramer-Flood:

That's wrong also. He would've dominated. That was Elon Musk's best decision was to not do that.

Zach Goldner:

He would've, he would've.

Marcus Johnson:

What's our world coming to. Ethan Meta can't squeeze a lot more juice out of WhatsApp. Make the case.

Ethan Cramer-Flood:

Yeah, I'm pretty skeptical of this one. And I'm not just saying that because I was tasked with this side. I just think the ceiling is not that high for several reasons, all of which are actually related to forecast that we have. I mean, one of which is that the vision that he's describing for

WhatsApp sounds a lot like what Snapchat already is or is trying to become. And we've seen over years and years and years that Snapchat really struggles, really has struggled to sort of blow up into becoming a long-term sustainable profit generating machine. It's still just extremely small scale despite being very popular, right? Snapchat is popular among users that they just haven't been able to crack the nut in terms of really becoming a significant revenue director.

Marcus Johnson:

WhatsApp.

Ethan Cramer-Flood:

No, Snapchat has successfully remained popular without ever figuring out how to make tons of money. So I'm saying what the WhatsApp division...

Marcus Johnson:

... So you've just gone rogue.

Ethan Cramer-Flood:

... Is similar.

Marcus Johnson:

Forget your question, Marcus. I'll talk about Snapchat if I want to.

Ethan Cramer-Flood:

Yeah. I'm making an analogy here. And WhatsApp is considerably less popular than Snapchat in the core market of the US. So they're going to need, in order to really make significant money, it's all about the US and Snapchat has tens of millions of more users in the US without being able to make tons of money than WhatsApp. It's not clear to me why or how WhatsApp would be able to suddenly draw dozens and dozens of millions of more users after all of this time. And then we also have a forecast already on WhatsApp's business revenue from the business accounts that also is still relatively small potatoes, even many years... It might become a billion dollar business by 2027 according to our forecast. But just the total amount of users, the total amount of ways in which that kind of format can make money just doesn't

seem to add up to enough to be significant at the scale of a meta, right? They're just so gigantic and the kind of revenue we're talking about here is kind of limited.

Zach Goldner:

Well, I staunchly disagree here with Ethan.

Oscar Orozco:

Thank you, Zach. Reasonable man.

Zach Goldner:

Ethan, I know we live here in the US but not everything is about the US. There's a huge worldwide opportunity here and I think you're going to see big opportunities coming from India and other areas as well where labor costs might be outweighing that of doing a business messaging model. WhatsApp has a lot of room to grow. I think we should be on the lookout for it.

Oscar Orozco:

So you agree with me, Zach?

Zach Goldner:

Yes.

Ethan Cramer-Flood:

It's never a good sign.

Oscar Orozco:

Speaking of sharing...

Zach Goldner:

[inaudible 00:31:12] Absolutely. And a quick thing, the user base, Ethan, come on now. It's not just the comment on global, but we're talking definitely in the billions here. So comparing it to Snapchat... So that's a tough comparison.

Ethan Cramer-Flood:

Yeah, but the revenue generating opportunity, right? It's like how we talk about viewers in India for Disney plus Hot Star, right? The ARPU is just so low. So yes, WhatsApp. I mean I know I've traveled abroad. I dust off my WhatsApp when I go to Europe because everybody in Europe uses it and I come back to the US and it just sits there and nothing happens unless I get pinged by some fraud person trying to scam me out money. So the fact it is enormously popular in markets where its hard to make money.

Marcus Johnson:

I've texted you one time on WhatsApp. So WhatsApp users, yeah, 66 million of them in the US according to our forecast. It's about one in five folks, but it is very flat. So that's not really going anywhere. And some of these examples of how WhatsApp is performing really well are typically overseas. New York Times article where Mike Isaac pointing out Nissan, some people call it Nissan for some reason, building chat bots on WhatsApp that can help the automaker talk with its customers in Brazil and route them to local car dealerships. He notes that 30 to 40% of Nissan's new sales leads in Brazil now come through WhatsApp and the services reduced customer response time to a matter of seconds from an average of 30 minutes. So there are some ways it is making money for the company. Just a lot of those, yeah, not in the US. All right folks, that's all we've got time for the debate of the week. Very nicely done. Let's move to dinner party data.

Zach Goldner:

Marcus, before you continue, is there no winner? No winner for the debate?

Marcus Johnson:

No, there's no winner.

Zach Goldner:

Is that done?

Marcus Johnson:

Oh my gosh...

Zach Goldner:

Don't think we've ever had a winner for the debate right?

Marcus Johnson:

No, Susie, we've never had a winner for the debate.

Zach Goldner:

I want to face Susie, I want to gauntlet with Susie. It's been a while.

Marcus Johnson:

It's really not that difficult.

Zach Goldner:

Bring her down here.

Marcus Johnson:

It's not much of a challenge at all. So what waste of... It would be like playing the Patriots.

Zach Goldner:

You might be right, but it'd still be a good time.

Marcus Johnson:

That's right, patriots fans, I've had enough success. Enough.

Zach Goldner:

Agree with that one.

Marcus Johnson:

Okay. No Zach, there is no winner. We could pretend that you won.

Zach Goldner:

Yeah, I was going to grab a cowboy hat when I was Crown champion and do a little celebration.

Marcus Johnson:

No need. You did not win, but everyone won. No one won. It was a terrible segment. Let's move to dinner party data instead. Part of the show where we tell you about the most

interesting thing we've learned this week. Let's go Ethan.

Ethan Cramer-Flood:

Sure. I don't know if this is the most interesting thing I've learned this week, but this was a...

Marcus Johnson:

Oh, great. That's a great start. Can't wait for this.

Ethan Cramer-Flood:

Sports centric show that you brought us on for. And while I was poking around about the Super Bowl, I clicked on something and clicked on something and ended up at a webpage by the International Snack Association discussing how much we all...

Oscar Orozco:

Yeah, right, this is not going to be good.

Ethan Cramer-Flood:

... And I have been on this show so many times where other people present gross information about how much we, I think last time was about Halloween candy, about how much Americans eat. So according to Snack International, Americans eat 112 million pounds of snacks on Super Bowl Sunday, which they refer to as the equivalent of 62,000 Clydesdales. I'm not sure why they needed to measure this in horses.

Oscar Orozco:

Clydesdales?

Ethan Cramer-Flood:

Clydesdales, the Budweiser Clydesdales.

Marcus Johnson:

It's a pretty common measurement.

Ethan Cramer-Flood:

62,000 horses. That's how much we eat.

Marcus Johnson:

Yeah, that's how I measure most things.

Oscar Orozco:

But perhaps more interestingly, Super Bowl week is considered the Black Friday of the snack industry. According to them, snack food overall sales jump 10 and a half percent last year. I think that's fairly standard. People spend \$600 million on snacks that week. Tortilla chip sales increased by 22%. Potato chips go up 10%, pretzels go up 7%. Cheese snacks go up 7% and refrigerated dips spike by 62.5% a week, which makes sense when you think about how much you don't eat that kind of thing the entire rest of the year, but you do eat that kind of thing at Super Bowl parties. So there you go, the Black Friday of the snack industry is the entire beast before the Super Bowl.

Marcus Johnson:

Next time I go to a doctor and they're like height, I'm going to say I'm half of Victor Wembanyama, and when they go, weight, I'm going to say a third of a Clydesdale.

Oscar Orozco:

[inaudible 00:35:43] Probably less than a third of a Clydesdale.

Marcus Johnson:

Okay, let me just repeat this one more time. This is the part of the show where we tell you about. The most interesting thing we've learned this week. Do you want to go [inaudible 00:35:59].

Zach Goldner:

This is interesting.

Marcus Johnson:

All right.

Oscar Orozco:

I thought that was...

Zach Goldner:

I'll say this...

Marcus Johnson:

Will we leave it in?

Zach Goldner:

Football is America's tradition. Food waste is definitely number two for us. Actually, my fact is going to be about food waste. I should have kept that one.

Marcus Johnson:

Oh.

Zach Goldner:

But yeah, not too late next time.

Oscar Orozco:

Marcus, I came on this show once and you talked about how long roads are.

Marcus Johnson:

That was a good one. So you remember it, don't you?

Oscar Orozco:

I don't want to hear any.

Marcus Johnson:

What an episode. I really saved that episode. It was all going downhill, but I brought us back.

Oscar, save us. I'm kidding.

Oscar Orozco:

That was a good one. I should have come in with the food waste one now, but next show everyone, come tune in.

Marcus Johnson:

Oscar won't be back again on another show, and maybe Ethan too. And Zach for asking for a championship belt for being part of the debate. The debate.

Ethan Cramer-Flood:

The debate. Yeah, that was a weird one Zach.

Zach Goldner:

What? Championship hats?

Oscar Orozco:

Mind if there are any millennials listening and they're going to love this one. You know how millennials are always complaining about how much worse they've had it than their parents? Typically, baby boomers?

Marcus Johnson:

We have.

Oscar Orozco:

They are right. They're absolutely right, baby boomers, and you got to listen to this, okay.

Marcus Johnson:

Oscar's also a millennial just for context. Okay, so is this true?

Oscar Orozco:

I might be. I might be.

Marcus Johnson:

How biased is it?

Oscar Orozco:

It's not biased at all, this is data and information and researchers from other places, not me. So from the University of Cambridge, you're familiar with them?

Marcus Johnson:

Oh, okay, now we're talking.

Oscar Orozco:

Marcus, yeah, and then Humboldt University in Germany and a French university called Sciences Po. They worked together to find out essentially the life trajectories of baby boomers and millennials and they spoke to 12,000 in the US actually. So it was 6,000 baby boomers, 6,000 millennials, and of course baby boomers clamor for the old days. It's because financially speaking, things were much easier for them back then, so let me give you a couple stats. There's definitely a growing wealth gap that's existing between the two groups. So a couple things that can put that into context. By age 35, 17% of baby boomers had moved into some prestigious professional career after graduating from college such as law or medicine.

That's now down to 7.3% of millennials. So from 17 to 7.3. Another example, by age 35, 62% of boomers owned homes. While for millennials it's only 49% that are home owners by that age. One last one, about 63% of low skilled service workers who identify as boomers own their own home by the age of 35. That's compared to 42% of millennials in the same occupations. So it's very clear there's a large wage gap there and it seems to be getting worse and worse. So what can be done about that? The lead researcher said for example, that progressive policies like wealth taxation and things like universal health insurance could give people more security and could help deal with that issue. Unfortunately, it tends to be that baby boomers are generally voting against things like that, so it's interesting since they take advantage of much easier circumstances when they were in their twenties and thirties, but enough with the preaching. That's mine for today.

Marcus Johnson:

Oscar, can I get this link so I can forward it to my parents?

Oscar Orozco:

Yes please. I will. I'll send it to all of you guys.

Marcus Johnson:

And they would be like, who's sending me this?

Oscar Orozco:

Say it's fake news, not real.

Marcus Johnson:

The son, Marcus. Very nice. I knew it. I knew I'd have a tough time. I could feel that I wasn't quite achieving and it's because of society.

Oscar Orozco:

It's never our fault.

Marcus Johnson:

That stack against you, what are you going to do? All right? Nope, Zach, your turn.

Zach Goldner:

So in honor of sports and in honor of me being a embarrassed at and being sad about the fairs, let's talk about a team that's worse than the Bears and that was Prairie View A&M. Their football team back in 1989 went on an 80 game lo...

Marcus Johnson:

Losing streak.

Zach Goldner:

I know the Bears are bad. I know the Jets are bad. We can all be glad...

Marcus Johnson:

The Giants, don't forget the Giants.

Zach Goldner:

... we are not 80 game and the Giants. The Giants are just in a whole nother level.

Marcus Johnson:

Shocking game that.

Zach Goldner:

Maybe they're in Prairie View A&M's realm, but yeah, they went on a 80 game losing streak and they finally ended it in 1998 against Langston and ironically, a 19 to 18 game.

Marcus Johnson:

Thriller.

Zach Goldner:

Wow, that's an epic way to end that streak

Oscar Orozco:

10 year losing streak. I mean, that's a lot of graduating classes that never saw that.

Zach Goldner:

Terrible. You just have to not have a team at that point, right, after a few years?

Marcus Johnson:

The Giants, you think they should disband the Giants?

Oscar Orozco:

Yes. That might be the solution.

Ethan Cramer-Flood:

I think they should get downgraded to college football. Maybe it's high school varsity. I adore Dads.

Marcus Johnson:

Very nice folks. I've got one for you real quick. Why do most people immigrate to the US? Well, there were at least 45 million foreign born folks in the US as of 2021. This was noted individual capitalist piece by Omri Wallach, citing USA facts, data. According to 1.5 million new immigrants who arrived that year, the main reason they came to the States was work, was first 42% of people, school, 32% of people, family was in third, 23% of people, 2% of folks unfortunately, had to come for safety reasons, and then 1% came as part of the diversity visa program. It was also known as the Green Card lottery, and which accepts folks from countries with low numbers of immigrants in the previous five years, so that's why folks have been coming. In terms of the number of foreign-born folks in America, is like 14% of America's population of foreign-born, so 45 million or 14% folks in America are foreign born.

That's actually incredibly low compared to other countries. So Germany, Austria, Sweden, it's about 20% of the population who are foreign born in 2021. Canada 23%, New Zealand, Switzerland, Austria closer to 30%. Singapore over 40%. The highest is the UAE, United Arab Emirates, where close to 90% of its population were born outside of their country.

Oscar Orozco:

Wow. 14%. I would've thought [inaudible 00:42:20] number would be much higher.

Marcus Johnson:

Well, it's an interesting fluctuation as well. So in 1970, only 4% of America's population were foreign born. However, if you keep going back in history from 1860 to 1930, it was closer to about 70 years, 1860 to 1930, it was closer to today's rate, 14%. Then it drops down to 4% in the seventies and then goes back up. It's now about that 14% that we saw 150 odd years ago.

Oscar Orozco:

In New York City, I think that stat is more like 30 or 40%, so it depends where you are.

Zach Goldner:

It'd be interesting to see that.

Marcus Johnson:

Yes, indeed.

Zach Goldner:

Very cool.

Marcus Johnson:

Why did I come to the, I didn't technically immigrate. I just came back because I was born here, but why did I come to the US to keep an eye on you guys? Someone has to. They leave it to me.

Zach Goldner:

You're doing a bad job.

Marcus Johnson:

True. You guys, were all over the place. That's all we got time for the show. Thank you so much to my guests for hanging out today. Thank you to Ethan.

Ethan Cramer-Flood:

Love it.

Marcus Johnson:

Thank you to Oscar.

Oscar Orozco:

Thanks so much, Marcus. Good to be here.

Marcus Johnson:

Thank you to Zach.

Zach Goldner:

Glad to be crowned champ.

Marcus Johnson:

You weren't crowned the champion, okay? Let's get that on record. [inaudible 00:43:25] to the show. Thank you to Victoria who edits the show.

Zach Goldner:

Unbelievable.

Marcus Johnson:

James, who copy edits it, and Stuart, who runs the team. Sophie who does our social media. Thanks to everyone for listening in. You can find us on Instagram if you'd like. Insider intelligence, that's one word, for behind the scenes content. We'll see you guys hopefully on Monday for the Behind the Numbers Daily and eMarketer podcast. Happiest of weekends.