The Weekly Listen: Using AI to enhance shopping, ads on smart carts, and the problems with in-store retail media

Audio

On today's podcast episode, we discuss how Walmart plans to use AI to enhance the customer shopping experience, Instacart pushing smart carts into in-store retail media, why consumers are dissatisfied with their in-store shopping experience, how best to reduce clothing returns, the rise—and potential fall—of the Marvel Cinematic Universe, and more. Tune in to the discussion with our vice president of content Suzy Davidkhanian and analysts Blake Droesch and Carina Perkins.

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Episode Transcript:

Marcus Johnson:

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 hopped a turnstile to be here. Right,

Blake? At the subway of all places. Blake hates to-

Blake Droesch:

No, no. I paid for the subway. I just had to sneak into the building.

Suzy Davidkhanian:

I mean, it wasn't really sneak in.

Marcus Johnson:

I heard you ran interference, Suzy, so he could get by the security guards.

Suzy Davidkhanian:

I didn't need to. I didn't need to. I was ready.

Blake Droesch:

It took a little persuading. But it's okay, I made it in.

Marcus Johnson:

It sounds hyper illegal. I'm your host Marcus Johnson. In today's show, how Walmart plans to use AI to enhance the customer shopping experience.

Carina Perkins:

But I think what makes this really exciting is that personalized search is one of the most exciting applications for generative AI.

Marcus Johnson:

Instacart pushing its smart carts into in-store retail media.

Blake Droesch:

Someone purchases a product online for the first time and then wants to know where to buy it in the store. It can direct them to where it exists on the shelf.

Marcus Johnson:

What's most to blame for bad in-store retail experiences?

Suzy Davidkhanian:

You can have the coolest interaction installation. You could do whatever you want in the store, but if I came to get that dress and you don't have it in the size I need, doesn't matter.

Marcus Johnson:

How to reduce clothing returns. And some interesting facts about Marvel at the box office. Join me for this episode. We have three people. Let's meet them. We start with our senior analyst, covering retail and e-commerce, based on the south coast of England, is Carina Perkins.

Carina Perkins:

Hi Marcus. Wonderful to be back.

Marcus Johnson:

Hello there. Your tone suggests otherwise. It's good to see you. It's great to see you.

Suzy Davidkhanian:

And us too.

Marcus Johnson:

Well, not so much.

Carina Perkins:

Always wonderful to be here.

Marcus Johnson:

Exactly the same. We're also joined by another senior analyst on that very retail and e-commerce team. He is based across the Atlantic, in New York, in our studio of all places right now. It's not where he lives, but where he is now, it's Blake Droesch.

Blake Droesch:

Hey everyone. Great to be here.

Marcus Johnson:

Hello. Hello. And finally, sat next to him and also residing in New York City. One of our vice presidents of content who heads up the retail and eCommerce desk is Suzy Davidkhanian.

Suzy Davidkhanian:

Hi, thanks for having me.

Marcus Johnson:

Hello.

Suzy Davidkhanian:

I'm excited to be in the office and to do this together in the same room.

Blake Droesch:

I know. It feels like we're hosting a morning TV show.

Suzy Davidkhanian:

Kind of, right?

Marcus Johnson:

It does look like that.

Suzy Davidkhanian:

That's what I thought I was going to be growing up.

Marcus Johnson:

I thought you were going to say, that's what I thought I was going to be doing today.

Suzy Davidkhanian:

Oh no.

Marcus Johnson:

How disappointing. What do we have in store for you? We have the story of the week. We'll talk about Walmart, ton of announcements from them, to see if they can improve their business this year and beyond. We then move to a brand new segment for you, it's called

Blame Pie. I'll explain later. That's in the middle. And then in the C block, we have dinner party data as per usual. But we start, of course, with the story of the week.

How Walmart plans to use AI to enhance the customer shopping experience, and a bunch of other things as well. Walmart is experimenting with a bunch of initiatives to enhance customer's shopping experiences, according to the Associated Press. And at a CES keynote in Las Vegas, the nation's largest retailer announced the following, so five things real quick. Number one, it'll be expanding its drone delivery to nearly 2 million additional households in the Dallas Fort Worth metro area later this year. Number two, there's a gen AI powered search tool for iOS users that suggests relevant products for consumer queries, ranging from football watch parties to bridal showers. And so instead of a traditional list of search results, Walmart app will show you everything you might need for a single experience or event.

Number three. In-home replenishment, which is what it sounds like, is going to use AI to learn consumer's shopping habits and then adjust orders accordingly to keep them stocked on their favorite groceries. Number four, a beta platform that allows customers to create outfits virtually and get feedback from their friends. And number five. Sam's Club, owned by Walmart, will, instead of stopping folks at a cashier to show the receipt, use cameras at the store exits to take a picture of what's in shoppers carts to confirm purchases. Currently available in 10 clubs, but more added later this year. So 1, 2, 3, 4, and 5. Folks, if you had to rank your top three, what jumps out the most here?

Suzy Davidkhanian:

I did the NRF session with the SVP of technology, so I feel like I might have a different perspective on this. And I think it matters if we're thinking about, is it from a consumer lens or from the retailer lens? So from a consumer lens, I think that gen AI powered tool for helping you as a shopper online understand what are all the different components you need for the unicorn party, the Super Bowl party, very cool. Very, very cool. Easy to use. She showed me on her phone.

Marcus Johnson:

A unicorn party?

Suzy Davidkhanian:

Yeah, apparently that's a thing. People have unicorn parties, and you need balloons and you need magic plates.

Marcus Johnson:

Is this a Scottish thing where the unicorn is the national animal of the country?

Suzy Davidkhanian:

Came back.

Marcus Johnson:

Scotland. I'll never go over there. What? A unicorn? Okay, I'll look it up later. Sorry, Suzy.

Suzy Davidkhanian:

Super Bowl party. And I think what happens is it generates everything from the TV that you might need, the snacks, the drinks, the party plates and cups and everything else. And so I think it's a time saver for a consumer who might not have thought like, oh, I actually need nachos for the dip. So I think it's very cool. That's my number one.

Blake Droesch:

I am, I think, maybe slightly less bullish on consumer adoption of an AI search tool like that than maybe the retail industry seems to be right now, based on all of the examples.

Suzy Davidkhanian:

Why?

Blake Droesch:

Just because I think it has a use case for certain scenarios, particularly when you want to begin the shopping journey. But I also think it removes a lot of the selection process that consumers really need to feel confident that they're getting the right value and quality out of any given number of products that they can purchase to meet their given needs for whatever event they're planning. So I think that it definitely will have a use, but I'm wondering how that's going to impact the way that shoppers think about things like selection, right? Because if I'm planning a party, I probably have a budget. I want to make sure that I'm getting not only the items that are of good quality, but also that I'm doing it for as cost-effective of a way as

possible. So I think these AI tools are also going to need to build in a certain degree of selection so consumers kind of maintain that confidence that they have the ability to make a choice and they're not just given a list of items that the retailer is selecting and there's nothing else.

Suzy Davidkhanian:

So the impression I have from the interface, and I could be wrong because I didn't try it by myself, but is that you say unicorn party, and then it's like plates. And then you go on the plate thing and then it gives you a bunch of plates. And then you go on the cutlery, and then it gives you different knives and forks options. So I think you get options. I hear what you're saying, but I think it might help spur impulse purchases too, because, ahhh, I didn't think I needed those things where you blow and it makes noise, but they have unicorn shaped ones, so maybe I'll get that for my kid. So I think it might actually help in some ways with us to buy more.

Blake Droesch:

Yeah, that's interesting. And then I think in that case it'd just be about finding the balance of giving them enough choice where they feel comfortable, but not too much choice where it removes the convenience.

Suzy Davidkhanian:

Totally. And I think it's going to be, like you said, the filters. And so I imagine, or maybe it's in the next iteration where it's like 2.0 and you can do like, okay, now I'm filtering on price and I'm filtering on budget. The budget one is a great call out.

Carina Perkins:

I had this as my top one, but it wasn't because I think it's the most exciting development for the consumer at this stage. Because I think while it'll be interesting, it'll still be a bit of a novelty. It'll take them a while to work out a really kind of smooth and engaging process for the consumer. But I think what makes this really exciting is that personalized search is one of the most exciting applications for generative AI. And we've seen or heard about a lot of companies trialing it, but it's really good to see a big retailer actually launch something with it. So that's why I had it as my top.

Marcus Johnson:

So everyone wanting to start the discussion on gen AI powered search. So my second question then. Can each of you pick one of the other announcements as your second? Suzy, if you had to pick second, is it drone delivery, in-home replenishment, creating the outfits virtually and getting feedback from friends, or Sam's Club using cameras to confirm purchases as you walk out the building?

Suzy Davidkhanian:

So again, if I was thinking about it from a consumer lens, and even a retailer lens, my second one is the Sam's Club camera. It seems a bit weird, but I think if you think about Costco and Sam's Club, there's such a long lineup to leave to show your receipt. That's such a bottleneck area that if you can figure out how to get me out of your store faster, I'm in.

Blake Droesch:

Yeah, I completely agree. I actually would probably put that as number one even over the gen AI powered search. I think it is a way to really remove friction and introduce a real true self-checkout that's way more seamless. There's way less likelihood of these tech hangups that you deal with the normal self-checkout tills. So I think that that is something that could really introduce a level of convenience that is going to drive people into the store. But I also think drone delivery, to the same effect, I would probably put both of those over gen AI powered search, in my opinion. I had AI as three for me.

Marcus Johnson:

Okay.

Suzy Davidkhanian:

I didn't have the drone delivery at all on my list because I don't care how you get me the thing, I just want it. So from a consumer perspective, do it however you need to do it.

Blake Droesch:

I think the thinking is that it could help get there faster. So I agree with you that it is not a touch point necessarily for consumers, but it could introduce a way for them to get their products faster. And if that's the case, then it is unlike the cameras in stores or having the person go in your home to refill your refrigerator, it is hands off. So I agree, it could work both ways.

Marcus Johnson:

Carina, what's your second?

Carina Perkins:

I also had camera at stores exits actually, because that's really big. It's a big issue for retailers in the UK and Europe at the moment. There's been quite a lot of instances of theft with the cost of living crisis. And retailers have attempted to stop it by introducing barriers and getting people to scan receipts. And there's been a massive backlash from consumers here because they've gone from going to checkout and having someone else scan their groceries to suddenly self-checkout, and now being treated like a criminal on exit. So I think anything that could help reduce that friction would be really powerful for retailers.

Marcus Johnson:

All right, folks. Very nice. It sounds like the camera's at stores are number one. And then drone delivery, gen AI powered search kind of joint second. All right, let's move to our second segment for you today. Time now for the analysis of the week. Today's segment, Blame Pie, which is definitely not a game. How does it work? For each of-

Suzy Davidkhanian:

I don't know how I came on.

Marcus Johnson:

The only reason you are here is because I told you it might be a game, and now you're here. For each of the stories, our panel have to pick three things they blame the most, and then attribute shares to each until you get a blame pie or blame pie chart. So for example, if you asked me who am I most likely to blame for the derailments of this episode, I'd go 70% Suzy, 20% Blake, and then Carina with a dark horse 10%. And that equals a hundred percent. And based on how the show's going, listeners, you can tell that that was pretty much spot on.

Suzy Davidkhanian:

How come you're not in the pie?

Marcus Johnson:

Myself?

Suzy Davidkhanian:

Yeah.

Marcus Johnson:

I'm never to blame.

Suzy Davidkhanian:

A hundred percent. You would be the whole pie.

Marcus Johnson:

2%. All right, folks, let's play. Round one is where we begin. Instacart pushing its smart carts into in-store retail media is the topic. "Now, Instacart's going to begin testing ads on its AI powered caper carts, smart shopping carts at Good Food Holdings, Bristol Farm stores in Southern California," writes our senior retail analyst, Zak Stambor. "These AI self-checkout shopping carts boast a tablet sized screen, a built-in barcode scanner, credit card swiper, image recognition cameras and weight sensor as well."

Zak explains that the personalized dynamic ads these carts will display can show customers new products, brands and deals, as well as product recommendations based on shopper's real-time behaviors or cart content. So for example, if a customer adds ice cream cones to their cart, they might see a recommendation for Dreyer's ice cream along with directions that steer them to the aisles or to the aisle, hopefully not multiple aisles, that's too much ice cream, where they can find it. Instacart will share smart cart ad revenues with retailers. So make a blame pie. Suzy, I'll start with you. What will be most to blame, in a good way, for smart cart's success as part of retail media?

Suzy Davidkhanian:

So I obviously followed instructions and have three things that might help me save time while I'm at the store so that I don't go to every aisle. I gave that a 40%. I don't think it's a good thing for grocery stores though because I think you lose out on potential impulse purchases of people walking through the aisle. The second one I put, might remind me that I need something that I didn't think I needed because it's pinging me, at 50%. And then one that is not necessarily a hundred percent in the article, but I believe they're going to start to gamify it or try and figure out how to gamify it and it's going to give me coupons and other things. So

it's not there yet. So I only gave it a 10%. But I do think that as that technology ramps up, that'll be a much bigger percentage of success.

Marcus Johnson:

You didn't follow instructions entirely. I said start with the biggest percentage. And you started with 40%, and then hit me with a 50%. So negative everything for Suzy.

Suzy Davidkhanian:

It's not a game, so it's fine.

Marcus Johnson:

It is now. Carina.

Carina Perkins:

Okay. I looked at this in a slightly different way. So I looked at it from a brand potentially investing in advertising on it perspective. So I did 40% giving brands the opportunity to reach consumers at the point of purchase or literally when they're pulling things off the shelf, 30% the possibilities for personalization. So the recommendations are in real time, which is amazing because normally recommendations would be on past purchasing habits. And 30% the first party data it'll create because it's literally following people around their shopping journey and giving you some really interesting insights.

Marcus Johnson:

Very nice. Blake.

Blake Droesch:

I think in order for smart carts to work for retail media, they first need to be adopted by consumers. So I think that 50% for the success would be that it connects the profile of the online shopper to the in-store shopper. So if someone purchases a product online for the first time and then wants to know where to buy it in the store, it can direct them to where it exists on the shelf. And then the other 50% would be the convenience of it. If you can check out just by adding the items into your cart and then you can walk out of the store, then that's going to give another reason for the consumer to use the smart cart, if they can pass the long lines at the grocery store. So it's a really simple, two-prong answer for me. But I think that those

things are essential in order for retailers to be able to implement any of the fancy bells and whistles that they have planned for smart carts.

Suzy Davidkhanian:

It's not a game because he didn't follow instructions. I'm just ratting them out right now.

Blake Droesch:

Why not?

Suzy Davidkhanian:

Because it was three. You had to have three parts.

Marcus Johnson:

No, up to three.

Blake Droesch:

Sometimes it just needs to be a four.

Marcus Johnson:

Remember the way you said that, "Marcus, you're a hundred percent responsible for how bad these shows are"?

Suzy Davidkhanian:

Yeah.

Marcus Johnson:

Yeah.

Suzy Davidkhanian:

That's not what I said.

Marcus Johnson:

Well, it sounded like it.

Suzy Davidkhanian:

No, that's not what I said. Don't put words in my mouth. I said you're a hundred percent for this particular episode not running as smoothly, before we started recording, as possible.

Marcus Johnson:

Real time feedback. Great.

Suzy Davidkhanian:

Now it's amazing, the episode, so I wouldn't worry about it.

Marcus Johnson:

Okay, brilliant. Yeah, very nice, folks. Some good shares.

Suzy Davidkhanian:

That was a good one.

Blake Droesch:

Thank you.

Marcus Johnson:

Some good shares there. 86% of grocery shopping happening in stores in the US according to our numbers. So the in-store part is still absolutely huge. But yes, some great thoughts there on linking the online and the in-store experience. Do we have any kind of idea on take up of smart carts? Because I've heard of them. I know of a lot of folks who have rolled them out, but I don't think I've ever seen or been to a store with one, or heard of someone using one. Any numbers on that? Any anecdotal thoughts?

Blake Droesch:

It's very small at this point. Amazon really has been the pioneer in the smart cart industry, and they had them in Fresh Stores. There aren't many Fresh Stores, there's only a handful of them. And they've begun rolling them out into Whole Foods locations, but it's very much in a slow, experimental way. So not much on that front. And then Instacart is sort of the number two company that's been entering the smart cart space, but that's about it at this point. So the consumer adoption numbers are probably pretty insignificant at this point.

Marcus Johnson:

Carina, anything in the UK?

Carina Perkins:

I've never seen one. No.

Suzy Davidkhanian:

Well, I feel like we're hearing about the pilots in the media. And a pilot, by default, is tiny, right? So they're trying to figure out the tweaks. But because it's newsy, it's making a lot of headlines. But I just don't think it's there yet.

Marcus Johnson:

It just feels like we heard about them years and years ago. And so for them to continue to still be in the headlines, for them still to be trialed, well, I would've thought they would've ramped them up to some kind of scale. But it doesn't seem like they've taken off yet.

Suzy Davidkhanian:

I think now it's more again in the news. Sorry to cut you off.

Marcus Johnson:

No, please.

Suzy Davidkhanian:

I think it's in the news now more because of the first party data and the connection to retail media that is newer than 10 years ago.

Marcus Johnson:

Maybe that's what they need to tip the scales. All right, folks, let's move to round two. We'll start with Blake on this one. So why consumers are generally dissatisfied with their in-store retail experiences. According to new global research from the IBM Institute for Business Value, just 1 in 10 people said they were content with their in-store shopping experience. And one in seven, just one in seven, were content with their online shopping version. The study found a few things. One, 55% of people desired more varied payment options. Number two, 37% of folks wanted a greater variety of products. Number three, 36% said they had challenges finding the products they wanted online. But for the question, we're focusing on

the in-store portion. In general, Blake, what's most to blame for bad in-store retail experiences?

Blake Droesch:

Yeah, and it's interesting, looking at those responses, because it goes back to something that we talk about all the time. The basics are basically the largest friction points for shoppers in stores. Product selection is probably the biggest reason. It's the number one. Probably the first rule of retail is to have a selection of products that your customers want. But they now have this totally different experience of online shopping to compare it to, where there is just a much vaster selection of products on online marketplaces.

I would give probably the additional 40% to just the friction and convenience for in-store shopping, anything from trouble finding the product, to mislabeled price tags on store shelves, to long lines at checkout. A lot of retailers have introduced more self-checkout and have less physical checkout. But those self-checkout machines are hard to use, oftentimes they're broken, which creates longer lines. And then the additional 10% is just the very, very strange ways in which retailers are trying to combat retail theft by putting everything behind a lock and key, which may or may not be deterring theft, but it is definitely deterring a lot of sales.

Marcus Johnson:

Yeah, I believe that. So 50% selection, having the things available, 40% friction in convenience, finding the things for one reason or another, and then 10% the lock and key method tactic. Let's go with Carina.

Carina Perkins:

So I had a 40% lack of availability. So I think, as Blake said, it's not even just about the product selection, it's about not having full availability of the products in the store. And now consumers are shopping online, and it's so much easier to check stock of what they're buying and search across different stores. And obviously, online, there tends to be much more stock behind it. So I think that's a real frustration for people now when they're shopping in store. They travel all the way into the store and then they don't have it in their size. That leads to a really bad experience.

I had 40% for slow payment or checkout. Although I agree, it's not necessarily just when it's slow. It can be that it's self-checkout, and that's a really frustrating experience. It can be that they don't accept the type of payment that you want. But I think people really hate queues, and having to queue to leave the store is something that brings a lot of frustration. And then I had 20% poor customer service because I think that can still make a big difference. And when you're shopping in store, that's the kind of big way that retailers can set themselves apart from their rivals. And I think that really good customer service is something that's still really important in retail.

Marcus Johnson:

Yeah, some excellent points. 40% lack of availability, 40% slow checkout and then 20% poor customer experience. Suzy.

Suzy Davidkhanian:

I think it's clear, we all agree that if you don't have the simple things figured out, whether it's online or in store, people are just not going to keep coming to you. The idea around the retail store as an experience is important. So me too I had if I came in to get something and you don't have it as 50%. The store is messy, it's hard to find what I'm looking for as 35%. And long lines at the cash wrap at 15%. Again, these are the most basic things. You can have the coolest interaction installation, you could do whatever you want in the store, but if I came to get that dress and you don't have it in the size I need, it doesn't matter.

Marcus Johnson:

So 50% out of stock, 35% store is messy, and 15% lines or queues. I found some research on this Progressive Grocer and RIS News, this is from the summer of last year. In-store shopping pain points experienced by US grocery shoppers. And it's exactly what you guys are saying. Number one, products out of stock, half of people, 53%. Number two, finding what I'm looking for, 37%. And then check out experience, 30%. And then you've got some other things, not enough staff, lack of product variety, et cetera. But it does seem to come down to the basics, which makes me wonder how folks are getting this so wrong.

Suzy Davidkhanian:

Well, I can tell you why they're focusing on other things or they're not getting this right. It's because they focus on the shiny penny. Everybody's talking about retailtainment and what is

the coolest new store that's opening? And so all these retailers are like, yep, they're coming to us anyways. Let's not worry about the basics because we've got that. And instead of listening to the voice of the customer, the NPS scores, customers give you a lot of information about their experience. Instead of fixing those unsexy, uncool things, they're trying to just come up with new things.

Marcus Johnson:

All right, folks. Let's move to round three. We're talking about reducing clothing returns. We'll start with Carina on this one. "Amazon has rolled out a series of AI tools to improve the online apparel shopping experience as it works to turn itself into a fashion destination whilst cutting down on returns," writes our retail analyst, Rachel Wolff. "These tools from Amazon include, one, an algorithm offering personalized real-time size suggestions. Number two, AI generated fit review highlights, which aggregates reviews into a single highlight. Number three, more accurate, easy to understand sizing charts. And number four, an AI powered fit insights tool that gives brands and sellers insight into customer fit issues." The question here though, to start with Carina, $50 billion of online clothing sales. That's 22% of online clothing. 50 billion in online clothing sales will get returned this year. What's most to blame?

Carina Perkins:

So I had 40% inconsistent sizing and complicated sizing charts. I think sizes between brands can vary so dramatically. And some brands can even have inconsistent sizing within their product ranges. So I think that's a real problem for consumers, and drives a lot of returns. I had 40% poor product representation. So that can be either in the images or the product description. If something looks great on the model, but it's been pinned and it actually fits completely differently when the customer tries it on themselves, it's going to go back. And equally, if the material isn't as good as it looked in the picture or it's not as it was described, then that's going to go back. And then I had 20% damaged or defected goods, which are obviously going to be returned if there's a problem with them.

Marcus Johnson:

Okay. So inconsistent sizing and then poor product representation, each getting 40%. And then 20% for damaged things. Let's go, Suzy.

Suzy Davidkhanian:

I had the same first two, and the same percentage. The fit is important. Understanding sizing between brands, even if it's the same retailer. Like you said, Carina, even within a brand, sometimes the pants don't fit the same. So, critical. The third one I had also at 20%, but just different. I think a lot of returns are, although damaged is obviously a really important one. So equally important too. People sometimes buy multiple things with the intention of just keeping one. And so I think that also causes a lot of returns. And that, I just don't know how retailers can get around outside of different return policies.

Carina Perkins:

I had that as well originally, but then I realized we're only allowed four things, but I think that is still a big issue.

Suzy Davidkhanian:

Three things.

Carina Perkins:

Three things, yeah.

Marcus Johnson:

Very nice. Blake.

Blake Droesch:

Yeah, I more or less agree, I would give 50% to basically the rise in fast fashion. That people are buying a lot of lower cost items that don't have consistency in size, they're lower quality, which causes a lot more returns than if people were buying more consistently from brands where they had some semblance of an idea around how the clothes fit and the quality of the items. The other 25% I would give to, yes, product descriptions a lot of the time. Especially for myself and the rest of the colorblind community, the item on the screen, the color is completely different or looks somewhat different when you actually see it physically.

And then the other quarter which we alluded to but not directly, is easy return policies. If you make it very easy to return things, especially online, then of course you're going to get people who are color stacking and they just buy four different variations of the same item and send them back, which is a good customer experience, but a retailer has to be prepared to weather the cost of it in order to give the customers those options.

Marcus Johnson:

I found some research on why people return things from Coresight Research from April of last year. Number one, 53%, most apparel brands and retailers say incorrect fit or sizing is the top reason for online returns, followed by color, 16%, and damage, 10%. So yeah, right in line with what you're saying for your respective blame pies. Then the returns issue, if we can call it that, is getting better kind of. So we have some numbers on this from our forecasting team. The returns volume is ticking up. It will go from 51 billion to 53 billion from this year to next year. But the share is falling a touch obviously because the pie is getting bigger, more people are buying things online. So that's growing, which allows the share to go down, but the dollars to go up. The share is going from 22%, that I mentioned, to 21% over that time from this year to next, and continuing to tick down in share as we go. So that's a good thing, but the dollar amount is still going in the other direction. So it's getting better, kind of.

Suzy Davidkhanian:

Sky is doing a report on this right now, and she's got lots of really interesting things around return policies and friction points for consumers.

Marcus Johnson:

One of our other analysts on the retail team. I'm hoping that we can do an episode on returns at some point, because there is a lot to be discussed. So yeah, look out for that on our Re-imagining Retail Show, hopefully in the coming month or two. That's all we've got time for this segment. We move to the last one. It's time now for dinner party data. This is the part of the show where we tell you about the most interesting thing we've learned this week. Let's start with Suzy.

Suzy Davidkhanian:

I almost felt like I won.

Marcus Johnson:

Don't. No, you didn't.

Suzy Davidkhanian:

Sorry. There was a random reaction there that was not merited. I'm not sure what happened. Sorry about that. Maybe it's that way, I can run over-

Marcus Johnson:

Like she just won an Academy Award.

Suzy Davidkhanian:

Yeah, literally. Did you see the surprise in my face?

Blake Droesch:

Nothing has been won though. Nothing.

Suzy Davidkhanian:

No, I just felt like I won something. I'm not even sure what just happened there. Sorry about that.

Marcus Johnson:

That was weird for everyone. Okay, you're still up there.

Suzy Davidkhanian:

Super. Okay, so are you guys ready for my more than one minute data?

Marcus Johnson:

No. No, we're not.

Suzy Davidkhanian:

Yes, that's how I got to go first. So you guys, it's January and a lot of people are doing Dry January. I tried to do damp January, it didn't quite work so well, but I tried. And we had a lot of conversations around this, so I did a little bit of digging. Do you know when and where and how it all started?

Marcus Johnson:

No.

Suzy Davidkhanian:

From the UK. Do you know about that?

Carina Perkins:

I suspected it started here. Yeah.

Suzy Davidkhanian:

In 2011 there was a woman, her name is Emily Robinson, she was going to run a marathon and she's like, oh, I better get in shape. So she stopped drinking and then she joined this organization that is called Alcohol Change UK. And so in 2013, they launched their first iteration of Dry January. They've come a long way, and it's in the hopes of raising money. And then it went full force global. So in the US, we're also doing it. And in 2023, so last year, 15% of the US population, of which Pew Research says 62% drink, have said that they were going to participate in Dry January. So I also did a little bit more digging. It actually really even started earlier in Finland in 1942 when the government was like, we need sober January so that we can win against the Soviet Union, and everybody needs to be on board and ready to fight. So lots of history. I could keep going, but I will-

Marcus Johnson:

But you won't?

Suzy Davidkhanian:

Yeah.

Marcus Johnson:

Okay, good.

Suzy Davidkhanian:

But I want to. And look, I have time.

Marcus Johnson:

No, you don't have time. The time is going up because you've ran over.

Suzy Davidkhanian:

Fine.

Marcus Johnson:

That's not extra time.

Suzy Davidkhanian:

Perfect.

Marcus Johnson:

Carina.

Suzy Davidkhanian:

Just the way I like it.

Marcus Johnson:

You have 10 seconds because of Suzy.

Suzy Davidkhanian:

Hey, come on.

Marcus Johnson:

Go ahead.

Carina Perkins:

Okay. So in the UK we've had quite a lot of retailers blaming their poor sales on an unseasonably warm winter, which dampened demand for winter clothing. So I've had a look. And indeed, the UK in 2023, we are provisionally on track for the second-warmest winter in record. By January 4th, the average mean temperature was 9.9 degrees Celsius, which is just behind '22's figure of 10.3 degrees Celsius. And then I had a look at what-

Marcus Johnson:

Wow. That's 40% Fahrenheit just within the American [inaudible 00:32:40]. But go on. Sorry.

Carina Perkins:

We have, since then, had a cold spell. So that might come down. But I then had a look at the coldest temperature ever recorded during a UK winter, and that was minus 27.2 degrees Fahrenheit, which has been recorded three times all at locations in the Scottish Highlands. But

the average winter in the UK is between 2 and 7 degrees Celsius, which is 36 to 45 degrees Fahrenheit.

Suzy Davidkhanian:

Wait, the minus 27 was Fahrenheit or Celsius?

Carina Perkins:

Celsius.

Suzy Davidkhanian:

That's cold. Colder than Canada.

Marcus Johnson:

I might've said 40% Fahrenheit. If I said that, I just meant 40. I don't know why I did a percentage.

Suzy Davidkhanian:

It's okay.

Marcus Johnson:

Maybe I didn't.

Carina Perkins:

It's warm. It's warm for an average attempt.

Marcus Johnson:

Yeah, it's warm.

Suzy Davidkhanian:

And then retailers blame the weather on good sales or bad sales. So it's an interesting stat.

Marcus Johnson:

That's true. Blake.

Blake Droesch:

This data is from YouGov. They asked, which fashion trends do Americans love and hate? And there's a lot of different trends here. So I'll read off some of the most loved and also some of the most hated. Some of the most loved fashion trends are flannel shirts.

Marcus Johnson:

Well, one second. Hang on. Is the next one graphic tees?

Blake Droesch:

Yeah, it's graphic tees.

Marcus Johnson:

We've had this before, Blake. See this is the problem. When Blake's not on the show, he's not listening. He's not listening to the show. However, I will say-

Blake Droesch:

Wait. So you're saying that I have to listen to these things too?

Marcus Johnson:

Yeah, of course. The things we say about you, Blake, you are going to want to listen. We didn't have, from this survey, I can't remember who said. Give me number three again.

Blake Droesch:

Bomber jackets.

Marcus Johnson:

Yeah, that surprised me.

Suzy Davidkhanian:

Oh, I feel like I was even on this show.

Marcus Johnson:

Yeah, I think you were on this one.

Blake Droesch:

Who's using my data? Who was that?

Marcus Johnson:

I don't know if it's your data, unless your last name is YouGov.

Blake Droesch:

It is my data. I always do YouGov data. It's been my only source for months.

Marcus Johnson:

That's true. Here's with number four again?

Blake Droesch:

Leggings.

Marcus Johnson:

Oh yeah, okay. I don't remember that.

Blake Droesch:

Did we go through the most hated?

Marcus Johnson:

We didn't. So I was going to say that. I think we're good there.

Blake Droesch:

Okay, so the most hated, sagging pants. As you can believe, old people hate sagging pants.

Suzy Davidkhanian:

With the underwear showing.

Blake Droesch:

I don't know why. It's just a thing that they've been fixated on. Parachute pants.

Marcus Johnson:

Oh no, we didn't do this.

Suzy Davidkhanian:

Oh, the MC Hammer ones.

Carina Perkins:

Those are back in fashion now in the UK.

Blake Droesch:

Shoulder pads, metallic footwear, socks with sandals. I will say, okay, then I'll do a little quick analysis. It's interesting because the trends are always shifting between skinny jeans and baggy jeans. Most noticeably recently, gen Z is embracing baggier jeans. Millennials, they were skinny jeans people. Skinny jeans, they skew towards more loved fashion trends. Whereas sagging pants, and I'm not sure if there's specifically wide leg pants too, they fall significantly below skinny jeans. Even bell bottom pants are more popular than skinny jeans.

Suzy Davidkhanian:

I think it's because those are hard. Bell bottoms are more popular than skinny jeans?

Blake Droesch:

Yes, slightly.

Suzy Davidkhanian:

Oh, that's a surprise. Those silhouettes are hard for number of body types. Which I thought then skinny jeans would do better.

Marcus Johnson:

I do think, if nothing else has come from this, because you've used someone else's data, that we do have a name for a new Hulu TV show called Skinny Jean People.

Suzy Davidkhanian:

You Do?

Marcus Johnson:

I'd watched that. I just feel like it sounds like it's a TV show.

Suzy Davidkhanian:

Oh, you just made it up?

Marcus Johnson:

See? It's that good.

Suzy Davidkhanian:

I get credit.

Marcus Johnson:

You were like, is that a real show? No, you don't get credit. I came up with it.

Suzy Davidkhanian:

I get a cut.

Marcus Johnson:

I literally. Okay. That's not how it works. All right, very good, Blake, kind of. Some people might not have listened to that episode, which is probably no one because I'm sure everyone listens to all of them. But if they didn't, then they got it again.

Blake Droesch:

Maybe some people only listen when I'm on.

Suzy Davidkhanian:

I agree.

Carina Perkins:

Most people.

Blake Droesch:

As they should.

Marcus Johnson:

That's not true.

Suzy Davidkhanian:

There's even a more likelihood if I'm on.

Marcus Johnson:

No it's not.

Suzy Davidkhanian:

Someone recognized my voice at NRF, I'm just saying.

Marcus Johnson:

Our numbers go down when-

Suzy Davidkhanian:

Hey.

Marcus Johnson:

No, I wasn't going to say. I was going to say when you or Paul Verna.

Suzy Davidkhanian:

I don't know why I come on.

Carina Perkins:

Good backpedaling, Marcus.

Suzy Davidkhanian:

Paul Verna. Poor Paul Verna and his butler.

Marcus Johnson:

I was going to say it's when we release the episode an hour later than normal. Okay, moving on. I've got one for you.

Suzy Davidkhanian:

Nice try.

Marcus Johnson:

Marvel at the box office. Three facts. Are they facts? I've got three things. So there's a great piece in Visual Capitalist from Nicolo Conte, titled Marvel's Box Office Rise and Fall? So here are a few findings from that research. Number one, they've done well. At the end of 2022, just 51 movies had ever grossed 1 billion or more. 51 movies total had ever got to a billion dollars or more. 10 are part of the Marvel Universe. Three of those 10, part of the Marvel universe, got to 2 billion. And Avengers End Game made close to 3 billion. It's either that or Avatar, which is the highest grossing film of all time.

Suzy Davidkhanian:

How many movies are part of the Marvel series?

Marcus Johnson:

33. I think 33. Yes. So the second point, which speaks to that. So they're struggling to recreate the magic. So none of Marvel's last six films have been able to crack the 1 billion mark. November 10th 2023, The Marvel's released at theaters, that was the 33rd film in the Marvel cinematic universe, after one weekend earned less than 50 million domestically, making it the lowest ever debut for a Marvel cinematic universe movie. Marvel films typically average about more than double that on opening weekends in the US. It's particularly troubling since The Marvels was the fourth most expensive to make. And then the third point here is the ratings are falling. Just two of the first 25 films, two of the first 25, so basically none, got lower than a 72% rating on movie critic platform, Rotten Tomatoes. Just two of 25 got lower than 72%. Whereas five of the next eight films got ratings of 72% or worse, much worse in some cases. Highest rated Marvel film of all time?

Blake Droesch:

Batman.

Suzy Davidkhanian:

I don't know enough.

Marcus Johnson:

Marvel film. He's DC Comics. He's either making a joke or hideously misinformed.

Blake Droesch:

Just my favorite superhero movie.

Marcus Johnson:

Okay, that wasn't the Question.

Carina Perkins:

Guardians of the Galaxy.

Marcus Johnson:

No. But that's a good guess. Black Panther.

Carina Perkins:

Really?

Marcus Johnson:

Yeah.

Blake Droesch:

That was a good one.

Marcus Johnson:

Iron Man was close. And Avengers, I think, End game was also really close. All right, folks. That's all we've got time for today's episode. Thank you so much to my guests. Thank you to Carina.

Carina Perkins:

Thanks Marcus.

Marcus Johnson:

Thank you to Suzy.

Suzy Davidkhanian:

Thanks for having me.

Marcus Johnson:

And thank you to Blake.

Blake Droesch:

Thanks Marcus.

Marcus Johnson:

And thanks to Victoria. She edits the show. James copy edits it. Stuart runs the team. Sophie does our social media. And Lance, Danny, and sometimes John, help us with this video podcast. Thank you so much to everyone listening in. You could find us on Instagram @insiderintelligence, one word, for all the behind the scenes content you can possibly consume. We'll see you hopefully on Monday for the Behind the Numbers Daily. That's an eMarketer podcast. Happy Weekend.