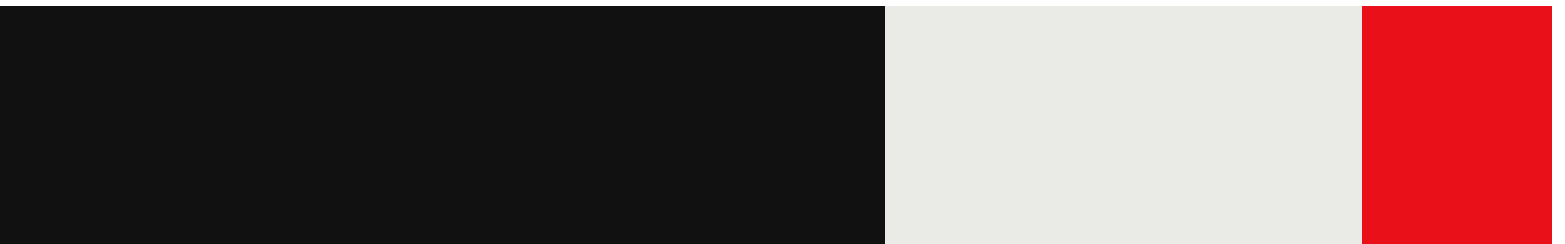


The Weekly Listen: What to make of the writers strike deal, the synthetic social network, and wearable AI tech

Audio



On today's podcast episode, we discuss what to make of the deal between the writers and studios, whether we'll soon be interacting with synthetic social networks, if AI can really improve customer service, wearable AI technology potentially replacing the smartphone, how much people have saved for retirement, and more. Tune in to the discussion with our director of reports editing Rahul Chadha, director of forecasting Oscar Orozco and analyst Max Willens.

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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 Made possible by Intuit MailChimp. This is the Friday show that is dealing with a heat wave. The planet's ruined, but for now, things are great. Sorry to everyone who has kids. I'm your host, Marcus Johnson. In today's show, what to make of the writer's strike deal.

Max Willens:

It's, I think, pretty likely that the number of shows that all these services produce is going to start dropping, and so these deals are going to be great for people that can get into writer's rooms, but there will be, I think fewer writers' rooms to go into.

Marcus Johnson:

Is the synthetic social network coming?

Oscar Orozco:

We would have to willingly make the choice to choose between some sort of AI feature versus talking to a real person, interacting with our social circle, friends and family. I think that's the distinction we need to make here and why I think we won't switch to synthetic social networks anytime soon.

Marcus Johnson:

Can AI help customer service chatbots?

Rahul Chadha:

I think it's also good to remember that when customers are going to interact with a customer service, they're usually already frustrated. They're not in a good mindset. I think that sets the bar pretty high for the experience.

Marcus Johnson:

What will wearable AI tech look like, and when do most people retire and how much do they have saved up? Join me for this episode. We have three people. Let's meet them. We start with our director of reports editing based in the Northern Hemisphere of New York. It's Rahul Chadha.

Rahul Chadha:

Hey, Marcus. Nice to be here.

Marcus Johnson:

Hey, fella. We move further south and we run into one of our directors of forecasting based in New York City. It's Oscar Orozco.

Oscar Orozco:

Hello, everyone. Happy to be here.

Marcus Johnson:

Hey, chap. And you keep going further and eventually you'll run into a gentleman who is our senior analyst covering everything digital advertising and media residing around Philadelphia, it's Max Willens.

Max Willens:

Yo.

Marcus Johnson:

Bang. There they are, folks, the three gentlemen who are joining us for this episode. What do we have in store for you? We start with a deal. The writers and the studios have come to an agreement. So what does the deal entail and what happens next? We then will have the Debate of the Week where our panel will give us the for and against arguments from three separate topics, news stories, we'll debate those, and then we move to Dinner Party Data, some random trivia, a lot of it. So we'll try to get to that as fast as possible because it's really the main reason people tune in. Anyway. We start of course, with the Story of the Week.

What to make of the writers strike deal. "The Hollywood writers strike is over and they won big," writes Alissa Wilkinson and Emily Stewart of Vox. They explained that on September 24th, after 146 days of labor stoppage, the second-longest strike in Hollywood history, the Writer's Guild of America, that's the writer's side, and the Alliance of Motion Picture and TV producers, the AMPTP, that's the studios, the writers and the studios reached an agreement. It officially ended two days later. Actors, they're still on strike. So this is just the writers. Actors are still on strike. This deal between studios and writers.

The deal includes a number of things. I'll list five quickly. One, an increase to minimum wages and compensation, three times what studios initially offered. Number two, increased pension and health fund rates. Number three, improvements to terms for length of employment and size of writing teams, that had been shrinking a lot. Number four, better residuals. Think royalties including foreign streaming residuals. And number five, terms for artificial intelligence with an agreement that doesn't prevent writers or productions from making use of generative AI, but prohibits using software to reduce or eliminate writers and their pay. Gents, your takes on the deal.

Max Willens:

So I feel like the way I've been thinking about this is the writers won the battle, but that victory may have little bearing on who wins the war, and by that I mean a lot of what you described at the end of that listing of the terms that the writers secured. At the moment, the studios, as you say, cannot basically crowd writers out or whip up scripts just using generative AI, but there is nothing preventing the studios from training generative AI using the scripts that they already have in their possession, which I think doesn't preclude them from just spending a couple of years really, really training an AI to produce scripts on their own in the future.

There's also the issue of compensation, and it's great that they won these short-term wins, but the reality too is that with streaming's economics looking shakier and shakier for the streaming services, I should say, it's I think pretty likely that the number of shows that all these services produce is going to start dropping, and so these deals are going to be great for people that can get into writer's rooms, but there will be, I think, fewer writer's rooms to go into. So overall, I think it's hard to look at this as anything other than a win in the short-term, but if you look further out, it's harder to be as unreservedly optimistic.

Oscar Orozco:

These are great points, Max. I think you make really great points there. You mentioned how it is sort of a short-term win. Keep in mind this is a deal only out to 2026, so we'll be revisiting all of these clauses and deals again very, very soon. By then, who knows what the ecosystem's going to look like? But I thought of it on the surface as a nice win for the writers, but the focus for me was really on the losers here, and you talked about it a bit there with it being the streaming platforms, the media companies. For them, it's without a doubt, a clear loss here.

I couldn't help but think about how a lot of the focus recently has been on international expansion, and I think many of them have hinged their success in growth plans on scaling up there, and I think they thought they could limit costs there, but I was really focused on that last bit, which was, Marcus, you mentioned the residual model for international viewership, which bases the payment on the number of foreign subscribers that these platforms have, and they estimate the Guild that it will increase of foreign residuals up 76%. So I wonder what kind of impact that's going to have on business overseas and on the content that's produced overseas. A lot of the growth is coming there, and I think that's where it's really going to hurt the streaming platforms.

Marcus Johnson:

Yeah. Yeah, it's a great point. When you're zoomed in, it does look like a win for one side, a loss for the other, but both of you, gents, you zoomed out from that, which I think is really important. Daniel Konstantinovic, who writes through our briefing, was saying the outcome of the Hollywood strikes isn't just about actor and writer compensation, but about rethinking the existing streaming business model. So I don't know, Rahul, is this model even sustainable? It does seem to some extent they've kicked the can down the road.

Rahul Chadha:

I mean, I think it's sustainable, but I think we're going to go through a right sizing process. The model is just going to have to rework itself in a way where companies who are trying to monetize through streaming platforms... And if they're replacing revenue from a linear TV model, it's just never going to hit that mark. They're going to have to figure out what does everything look like in this new world, and I think we've mentioned that they're going to have to probably reduce the content that they make, and I think that that's a necessary part of them kind of right sizing to it. The market can bear. I think we're past the peak TV era and we're in a place now where people are basically trying to figure out how to make some

amount of money from their streaming platforms. I think the way they were being run previously when everything was sacrificed for scale is just unsustainable.

Max Willens:

Yeah, I think what's so interesting and kind of depressing about this is that we're starting to head toward, I think, is a market that looks like lots of other digital media ecosystems where things are still pretty good for the people at the top, maybe not as fabulous as they were in the earlier era, but they're still pretty good, and they're maybe slightly more livable for the people furthest edges of the long tail, but if you're in the middle, you get squeezed really hard. I think about the transparency thing, which is apparently one of the most vicious fronts between these two sides, and what they got was essentially something that's great for the Ryan Murphys and the Shonda Rhimeses of the world, where if you have a show that gets viewed by more than 20% of the streaming services subscribers, you get a nice fat bonus. And this is information that's going to be very tightly guarded. I think six people total on the writer's side get to actually see this information.

And again, that's great for the people that hit the big time, strike gold with a series, but if you're someone who's trying to kind of make a name for yourself and you make a show that's kind of cool and some people like it, but it doesn't do huge numbers, but maybe it's a step-up in visibility, you have nothing that you can grab onto to show to your agent or to show to the studio and be like, "Look, I have an audience. Look, people care about this." They just can either decide to stay on that treadmill a little longer until they hit a giant hit or they get worn out and thrown onto the scrap, and I think that's a real bummer, especially considering the initial promise of this whole new era would be more choice, more quality, more stuff for individualized audiences, and it just seems like that's rapidly falling away.

Oscar Orozco:

And Max, I have a question for you. I mean, do you think that the writers, they're not better off at all from where they were a few weeks ago? I mean, it feels like that's how I'm interpreting it.

Max Willens:

No, absolutely not. I mean, the reality is that they're getting paid more, there are minimums being put onto the writer's rooms, there is some discretion there, but the people that are in this business are definitely in better shape than they were two months ago, but I just think it's

still a very precarious business. Maybe it always was going to be that way, but that's my take away from it.

Marcus Johnson:

Mm-hmm. Yeah, one that, I think, you mentioned some version of this basically when you've started, Max, but won the battle, you look up, there's a bigger war going on, a lot of other things still to figure out. I want to come back to something Rahul said in terms of right sizing, because Daniel Konstantinovic, who I mentioned earlier was saying one likely outcome will be further price hikes, which won't be welcome considering most streaming services have already increased prices this year, and a fair amount over the last couple of years. I'm just looking at a chart here from the Wall Street Journal showing Hulu, Max, Netflix, Disney Plus, Peacock, Apple TV+ all with prices going up.

Netflix, according to Wall Street Journal, have already said that they're going to be increasing their prices starting with the US and Canada in a few months, so they're already prepping folks for that increase, and it's because these companies and studios have struggled. The streaming service Max owned by Warner Brothers Discovery, they were saying they expect the strikes to cost it up to \$500 million this year, and then Brooks Barnes and John Koblin of the New York Times noting that analysts have estimated studios will forego as much as 1.6 billion in global ticket sales for movies that were initially scheduled to release this fall, but pushed to next year because of the actors strike.

Max Willens:

Can I just say, if Netflix costs \$25 a month, I'm getting rid of it. To me, it's not worth that. It's fine to have if you're paying 8, 9, 10, 11, \$12 because there's a couple of silly things and maybe once a year they have some big show that I feel kind of culturally obligated to watch, but I don't want to pay \$25 a month to have access to five different country's versions of Is It Cake?. It's not worth that to me, it's not sufficiently high quality, and I think that that's one thing that is going to be really ugly and kind of messy as these differing forces crash toward each other.

Marcus Johnson:

That's the big question, right? What's the ceiling? What's the ceiling for these streaming services before people say, "Enough is enough."? I thought I saw some research recently showing that people have dropped at least one of their streaming services from their bundle.

Maybe that's more to do with just the current climate and less to do with what they would ordinarily pay for all these streaming services. But yeah, a lot of them starting to, especially the kind of mid-tier streaming service, starting to bump up against that or get close to that \$20 mark, and maybe that is a bridge too far for a lot of folks.

Oscar Orozco:

I mean, one of my biggest takeaways was that Netflix was at the bottom here as the most impacted out of all the streaming platforms, and I think it has a little bit to do with the high prices already. Keep in mind, guys, that they are pushing people to these new sort of ad-supported tiers as well. So I think it could benefit them there where the gap widens with ad-supported tiers, which will probably remain in the similar range in terms of price. But this can have an impact on the ad business as well, which we didn't touch on a lot, but I think that and, as I mentioned, the international push all things to be worried about moving forward.

Marcus Johnson:

Yeah. Well, to touch on that for a second, Daniel, again... Should have had him on, but he was mentioning about ad prices. CPMs could also jump significantly during next year's upfronts, but only a streaming platforms have the content to back them. They were already asking for historically high CPMs this year. Netflix are now charging around \$40 CPMs down from 55 last year, but the need for greater revenues could see those ad costs go up again. He was noting Bill Bradley of Adweek saying the overall impact on advertising remains to be seen. Buyers telling Adweek that strikes didn't affect TV upfront talks dollar-wise with sports and unscripted content expected to take the bulk of the viewership for fall, but an August Innovid survey showing three in four brand and agency professionals acknowledged that writers and actors strike would impact their ad plans, with nearly half saying they plan to diversify their inventory and media channels. One in six said they decrease their budgets.

Let's wrap this up before we move to the debate. What's next for the actors strike negotiations, the part we said is still ongoing? Their union, the Screen Actors Guild, demanding a revenue sharing deal with the streaming companies and an 11% rise in basic wages, which the studios have thus far rejected. The Economist thinks a few more weeks of negotiation look likely, and so factoring in a similar ratification process, things are unlikely to get back to normal much before Thanksgiving in late November, and then that Economist article going on to note that the problem with that is that it means a production crunch at the time when Hollywood is normally winding down with the industry on hold for nearly half a

year. It says film and TV schedules in 2024 are looking rather bare, so studios will rush to cram in as much production as they can before the end of the year, time running out to save next year's summer blockbusters.

All right, folks. That's where we'll leave the Story of the Week. Let's move now to the Debate of the Week. Today's segment: Make the Case, where our panel, Rahul, Oscar, and Max 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 to just present the best case regardless and offer objective analysis just for you.

We start with Max versus Oscar for question one. "The synthetic social network is coming," suggests Casey Newton of the Verge. What are we talking about? Well, he thinks that between ChatGPT's new surprisingly human voice and ability to see objects and Meta's AI characters, our feeds may be about to change forever. He offers that you can imagine the next steps here, a bot that gets to know your quirks, remembers your life history, offers you coaching or therapy, entertains you in whichever way you prefer. A synthetic companion, not unlike the real people you encounter during the day, only smarter, more patient, more empathetic and more available. So the question is are we heading towards a synthetic social network, one where you're interacting more with a chatbot than a feed? Max will present the we will soon switch to synthetic social networks and AI companion. One minute on the clock, make the case.

Max Willens:

So the crux of the argument I'm about to make is that we rely on these platforms to entertain us, right? That's basically why we all open up Instagram or TikTok or Snapchat all the time, and I think that as long as these companies make an effort to make these AI assistance or companions as winsome as possible, there's no reason why we wouldn't all just gradually get used to the idea of interacting with a synthetic social network. Already when I open up Instagram, more and more of what I see is not content from my friends, family and acquaintances, but just random meme accounts that Instagram thinks I'm going to find entertaining, and AI-generated content or feedback or interaction is not that far away from that. So I think that as long as we are interested in using these things to entertain ourselves, then a synthetic social network is a very realistic possibility.

Marcus Johnson:

Very nice. Oscar, you will be presenting that we won't switch to synthetic social networks and AI companion. Make the case.

Oscar Orozco:

You make some good points there, Max. Sure, we do use these platforms to entertain us, but we choose how we want to be entertained, and I think that's the important thing here. We would have to willingly make the choice to choose between some sort of AI feature versus talking to a real person, interacting with our social circle, friends and family, and I think that's the distinction we need to make here and why I think we won't switch to synthetic social networks anytime soon.

Keep in mind, sure, AI can help shape the platform itself and I know developers love the efficiencies that it's causing, but in terms of the user, I think we're far off from choosing that, interacting with an AI bot over an actual person, far off from doing that. Keep in mind people are creeped out by AI still. They're worried about privacy concerns and sharing too much. There was a poll from Reuters not that long ago, 4,400 adults. 61% said they believe AI could threaten the future of civilization and more than two-thirds are worried about the negative consequences of AI infiltrating our lives. So I don't see this happening anytime soon.

Max Willens:

But it's got jokes and that's all.

Oscar Orozco:

I think your points are [inaudible 00:19:26].

Marcus Johnson:

Rahul, any thoughts on this, mate?

Rahul Chadha:

I mean, I think we talked a little bit about the future of social networks a couple episodes ago and it boils down to a weird semantic issue where it's like Max talked about the expectation and Oscar did too, that when you're on a social network, originally were interacting with friends and family, but it's increasingly becoming a distribution channel for entertainment effectively. So I think it really boils down to what do you want to describe as a social network these days?

Marcus Johnson:

Yeah. Yeah, I could see people interacting with social networks, with a personal assistant to help serve them up that content and being like, "Oh, anything new?" And it's like, "Oh. Well, these things just came through." It's like, "No, I'm more looking for this type of content," and it serves those things up. So I could see some kind of combination of the two actually going hand-in-hand. All right, let's leave that question there. Let's move to question two. We have Oscar versus Rahul. Customer service is what we're talking about. "Customer service is getting worse and so are customers, but what could fix it?" questions The Economist.

It points out that besides dropped calls, the most common irritation in customer service interactions is being stuck with a chatbot, according to contact center software company. Genesis. "Could ChatGPT-like generative artificial intelligence, generative AI, make things less awful? These tools offer more human-like interactions than earlier generations of customer service bots once trained on past call transcripts and other company data. They also make fewer mistakes than the off-shelf version of ChatGPT," the article call suggests. The question is can generative AI chatbots, like ChatGPT, help with our customer service woes? Oscar's up first. Generative AI chatbots, like ChatGPT, can help with our customer service woes. Make the case.

Oscar Orozco:

I know everyone is surprised to hear that I'm saying can here when I said that we would not have synthetic social networks, but let me explain why. There's two reasons-

Marcus Johnson:

You're all over the place.

Oscar Orozco:

No, not at all. I'll make it clear. Two reasons. People in this case have to willingly choose to interact with a brand or company, so I think that there would be that understanding that they might be speaking to an AI chatbot. Why is that the case? Because we already have scripted bots now when we interact with companies and sort of that customer service interaction that we've all dealt with it, and I think people will be excited to sort of have their one-on-one interactions with a more sophisticated version of that. So I think that's one reason why it can help.

I think speaking to the efficiencies of it, companies, of course, once these bots are trained and more adept at dealing with certain situations, they're going to be all over this, if not already. And I think from the consumer's standpoint, all they really want is a chatbot or an individual that can provide a solution. So I think if these ChatGPT bots, customer service bots can do that, they have the power to provide a solution, I really don't think people will care whether it's a real person they're talking to or some sort of machine.

Marcus Johnson:

Rahul, generative AI chatbots, like ChatGPT, can't help with our customer service woes. One minute on the clock, make the case.

Rahul Chadha:

I mean the reality is companies thinking about using this kind of AI are not motivated by creating this superlative customer experience, they just want to save money, and anyone who's gotten caught in an endless loop with an automated system when they just want to talk to a person can attest to how frustrating that experience is, and I don't think it really matters if it's a phone system, a chatbot or AI. It's kind of like pick your poison situation. It's really just another hoop. Like Oscar said, people want a resolution, but in my experience you don't usually get a resolution for a complicated issue from any of those services. And I think it's also good to remember that when customers are going to interact with a customer service, they're usually already frustrated. They're not in a good mindset. I think that sets the bar pretty high for the experience. And I think the bar is being set incredibly low. Marcus, you said that the expectation is can it make this, quote, less awful? That's a pretty low bar. Less awful doesn't necessarily mean good.

Marcus Johnson:

Two things I took away from the article. One, customers are less happy. The Economist was saying after rising steadily for two decades, the American Customer Satisfaction Index, a barometer of contentment began climbing in 2018, although it has edged up from its pandemic nadir, it has shed all of its gains since 2006, so customers more annoyed, maybe because they just have less patience because the second point here was customers are more unreasonable. The Economist also noting customers for their part in not helping. In this year's National Customer Rage Survey, another gauge of sentiment, 17% of customers admitted to

being uncivil in their interactions with businesses. That's just the honest ones. Max, any thoughts here?

Max Willens:

I generally share Oscar's opinion. I feel like working in a call center is a pretty miserable job and it typically attracts people who don't do it for very long, and so often when you wind up getting on the phone with somebody, they're inexperienced, flustered, maybe not adequately trained, in some cases, maybe dealing with a bit of a language barrier. I'm still remembering this one time I had to call my insurance company customer service because I had been denied coverage for something, and there was a long pause while I was on the phone with this guy who clearly did not speak to English as his first language and I said, "What's going on over there?" He said, "I'm sorry, sir. I'm busy trying to find a way to deny your claim," and I just got furious listening to this and I realized as he was talking that he meant to say something else, but I just thought generative AI is never going to do that, and so it's probably for the best that we move in this direction.

Marcus Johnson:

I'm trying to ruin your life. Can you give me a second please?

Oscar Orozco:

Yeah, way too direct.

Marcus Johnson:

Like when they say, "Do you mind if I put you on hold?" Yes. Yes, I do, but you're going to do it anyway. Let's move to question three. Max versus Rahul for this last one. I'm talking about wearable AI tech. Tech startup Humane recently demoed an AI-powered wearable the company is building as a replacement for smartphones. As Jacob Kastrenakes of the Verge describes, the AI pin device is a small black puck that slips into your breast pocket with a camera, projector and speaker sticking out the top. The device lets you call someone using your palm as the keypad, gives you a summary of recent emails, calendar events and messages on command, and can tell you whether it's safe to eat certain food items if you hold up the item in front of it, and it's basing this on your own individual allergies.

Apple's former chief design officer, Jony Ive, and OpenAI's CEO, Sam Altman, are also reportedly looking to collaborate on building some kind of AI hardware device according to

the information. The question is will these types of AI powered wearable devices replace the smartphone? Max is up first. Wearable AI tech will become mass adopted and also could replace the smartphone. One minute on the clock, make the case.

Max Willens:

So I feel like when it comes to emergent technology, you need a kind of key group of evangelists to really get it to take root, and I think that for a wearable like Humane or the pin or whatever thing that Jony Ive and OpenAI come up with, it will be two very powerful, very influential groups and those are tech executives and fussy elder Zoomer parents. I think a lot of people are sort of very preoccupied and worried about how much screen time their children get, but if you could give your kid a Humane, which essentially offers all of the things that parents want in smartphones for their children, which is an ability to access their location, an ability for their child to get information, an ability for them to communicate with parents, you get all of that from a Humane, but you do not get is an attention-sucking productivity-sapping, presentness-depleting screen. So I think that those reasons alone are major reason why these things will at least get a look by lots of different people, and a chance to supplant the smartphone.

Marcus Johnson:

Rahul, wearable AI tech won't become mass adopted and can't replace smartphones. Make the case.

Rahul Chadha:

I mean, I think wearables face a chicken and egg problem. People won't adopt a device that doesn't have a robust ecosystem of applications and nobody wants to build apps for devices that no one uses. I think one of the challenges I always think about when I think about wearables is that actually the lack of a screen means that app developers can't rely on a digital ad revenue stream easily. I don't know how people get served ads, and I think in the kind of gestational phase of wearables, developers need some other kind of revenue stream to lean on.

I think the other challenge is that right now wearables have really narrow applications, like for medical purposes, and I think other uses are really about novelty and not practicality. You can use your Apple Watch to field a phone call, but I mean, I think if you do, you might well just buy a smartphone holster because I think your sense of self-dignity has maybe been thrown out

the window. But I mean, in all seriousness, I think it makes it really difficult to see a future for these wearables without a robust system of applications that can support them and drive mass adoption.

Marcus Johnson:

It is hard to pull off the smartphone holster. I've never seen anyone rocking one and gone, "Nailed it." Oscar, I could see you as a smartphone holster person. Any thoughts here? Would you wear an AI pin, Oscar?

Oscar Orozco:

I mean, I don't even own a smart speaker or a smartwatch.

Marcus Johnson:

I thought you were going to say smartphone then.

Oscar Orozco:

I do have a smartphone. Very expensive one, so I really hope we don't have to replace that anytime soon with something new. But yeah, it seems really far off. I would have to also add to what Rahul said, Google and Apple are so entrenched in our just technology and our devices and everything we do, I would also add it would have to come from one of these two guys for it to really catch on as well.

Marcus Johnson:

Mm-hmm. Yeah. Yeah, and then do they want to ruin a perfectly good revenue stream? Probably not. All right, gents. A very nice segment. Let's move to the last one of the day. 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 Rahul.

Rahul Chadha:

Yeah, I got some fun factoids about Lego. It was actually started in the early 1930s by a Danish carpenter named, and apologies to Danish speakers out there, I want to say Ole. I would say Olay, but I know that's really wrong.

Oscar Orozco:

It's definitely not that.

Rahul Chadha:

Kirk Christiansen.

Marcus Johnson:

We don't know what it is, but we definitely know what it's not.

Rahul Chadha:

So Mr. Christiansen had to transition away from home construction and furniture making due to waning demand and he instead pivoted to creating wooden toys. Lego didn't actually start using plastics until 1947 and it was actually a warehouse fire in 1960 that forced the company to fully transition away from wooden toys and to embrace plastic ones. Lego flirted with bankruptcy in the early aughts, but rebounded thanks to its partnerships with existing franchises like Star Wars and in part by creating a successful series of movies, if anybody remembers the Lego Movie, or... I feel like I've aged out of the demographic for the Lego Batman and I want to say Ninjago movies, if that's how that said.

Marcus Johnson:

I've heard they're good.

Rahul Chadha:

I don't doubt they might be great entertainment, I've just never seen any of that stuff. But it's pretty impressive, last year Lego had an annual revenue of about \$9 billion and boasted operating profit margins that exceeded the luxury conglomerate LVMH and luxury space car manufacturer Ferrari. So it's pretty incredible what they've done.

Max Willens:

Not bad for a second act.

Marcus Johnson:

You say he moved from... He was in construction and that kind dried up, so he moved over to small wooden toys. Can you imagine his partner being like, "What the hell are you doing? Go

get a real job." "No, I just feel like I'm onto something here." "Get out of my house." All right. Yeah, it worked out, so fair play to Mr. Christiansen. Is that what his last name is?

Rahul Chadha:

That's right. I mean, I don't know. Let's ask a Danish person how you're supposed to pronounce that too.

Marcus Johnson:

Mr. Lego. Oscar, you're up.

Oscar Orozco:

All right, that was a good one. Love Legos. So mine, Marcus, I think you're going to love this one. You do regularly, at least when I'm on, cover anything vehicle related, but I just saw this study today, it's from iSeeCars.com. They published the latest update to their annual survey on the most popular car colors on the markets. So does anyone own a car right now? What color are your cars?

Marcus Johnson:

We had this one.

Oscar Orozco:

This is new. It's been updated.

Marcus Johnson:

We had this a week ago. Has it been updated since last week?

Oscar Orozco:

Stop. Really?

Marcus Johnson:

Most popular car colors, right? Is that what you're doing?

Oscar Orozco:

Yeah. Did you really?

Marcus Johnson:

It's black and white. I think white's number one.

Oscar Orozco:

Well, you've covered this but, because it was new... Oh, gosh. Okay. I was going to talk about the update.

Max Willens:

White is number one? That's surprising.

Oscar Orozco:

It is white.

Marcus Johnson:

Of course it's white. What are you doing right now? Did you just listen to last week's episode and go, "You know what? I'll use that."

Oscar Orozco:

I did not, man. I thought we covered this months ago. Hey, this happens. This happens. What else did I have? I could probably pull something-

Marcus Johnson:

Is it just car colors, or is there anything else in the survey?

Oscar Orozco:

There is something else, but it is related to the car. Give me a second. Hold on.

Marcus Johnson:

Wait, we just covered colors, so maybe there's more in the survey that we haven't covered.

Oscar Orozco:

Nah, it's all colors. It's all colors. Forget it. I thought there was something down here, but it's all colors.

Marcus Johnson:

Don't you recycle material here, Oscar. I won't stand for it.

Oscar Orozco:

I swear I didn't think it was. Okay, I might be able to-

Marcus Johnson:

Do you want me to go with Max first?

Oscar Orozco:

Yeah, yeah. Maybe I can pull something. Great.

Marcus Johnson:

Okay. All right. Max, you're up because Oscar's just using old material.

Oscar Orozco:

Go ahead.

Max Willens:

So my dinner party data this week relates to popular concert tours. So earlier this week came the news that Taylor Swift is not going to be the only global star to have a concert movie come out this year, Beyonce's will come out in early December, and there's been a lot of really confusing data come out about how much money all these tours are making. There's some that say it's going to be over a billion dollars, there's some that say it's more like \$500 million, there's some that say that Beyonce's is going to wind up having more economic impact than Taylor Swift's, and others say the opposite, but the sort of easy takeaway is that as of probably the end of this year, Beyonce and Taylor Swift are going to wind up being the two highest grossing concert tours of all time.

And I thought, "Well, okay. Who's three through 10? Let me go figure that out," and so I found some data from Billboard and so I'll give you the list in order starting from three going down. So it's Elton John, Ed Sheeran, YouTube, Coldplay twice, Harry Styles, Guns & Roses and the Rolling Stones twice, and there's a bunch about this that I thought was really interesting. First

being that this list is basically nothing but British artists, Beyonce and Taylor Swift coming on basically means there are now a whopping three American artists on this list and rest are Brits.

Marcus Johnson:

Is the second takeaway that Coldplay have been on tour for the last 50 years? Go home.

Rahul Chadha:

Yeah, I was going to say, I feel like Elton John's been on his farewell tour for 10 years now.

Max Willens:

COVID is a big reason for this because both of you are right. The Elton John tour that got onto this list was his last list or was his last tour and it went on because of COVID interruptions for over three years. There's also a tour on here that I think took five years to complete by Roger Waters, and the other thing that's worth pointing out here is that all of these tours occurred in the last six years, which says an awful lot about how expensive a really in demand concert ticket is. And finally, I just want to [inaudible 00:35:40] to all of you that put the Rolling Stones on this list twice in the last six years. What's wrong with you? They're so old. They are so old and they have been doing this for so much time. Just do something else. Take your kids to Margaritaville, or your grandkids or something. Just stop going to see the Rolling Stones, for God's sake.

Oscar Orozco:

What about just so many other great artists out there? It's kind of what you're saying. It's like when do we see something new? Because it's always the same artists over and over. Come on.

Rahul Chadha:

I'm surprised that there weren't more Boomer era acts on there, because I just assumed they were the ones with the most disposable income and the bands like the Rolling Stones have an endless well of nostalgia to feed on.

Marcus Johnson:

Yeah, I feel like Elton's really milking it on this goodbye. Goodbye again.

Max Willens:

I'm really going.

Marcus Johnson:

And encore. He's back. Oscar, anything, mate? Anything new?

Oscar Orozco:

Cars and colors. No, I'm joking.

Marcus Johnson:

You've got to be kidding me.

Oscar Orozco:

Something a little different. No. All right. So I have an interesting one for you guys. I did pull this a bit ago. It was after I came back from some travel and I was jet-lagged. I thought it was really interesting. It was a study on giant pandas as well. People love pandas.

Marcus Johnson:

We've done this.

Oscar Orozco:

Stop.

Marcus Johnson:

Oh. No, I'm kidding. We haven't done this.

Oscar Orozco:

Oh, stop it. Come on, man. Don't mess with me.

Marcus Johnson:

Sorry. As you were saying, giant pandas.

Oscar Orozco:

I mean, it was in CNN and I swear I read the articles, so it's possible. Okay, back to it. This is on giant pandas living in captivity who could be suffering from jet lag, which I thought was kind

of funny again because I was very jet-lagged coming back from my trip to Spain. So it was a study. Scientists went about figuring out whether animals that are in captivity all over the world, different types of environments and things like this, and what the study found was no surprise, that it can have an impact, of course, on these animals that are not used to certain climates, that what they essentially feel is something similar to what humans would feel with jet lag when they travel far and their hours are off and they're not getting enough sleep, sleeping at weird hours.

So this was from the journal *Frontiers in Psychology*, and what they essentially also found was pandas, kind of like humans, have a circadian clock, which means it's an internal body clock that runs approximately in 24 hour cycles. That's probably why things like this impact them. We all take cues from the environment, so when there are issues with the environment not matching with what the species is used to, it can have these effects, like jet lag does. So it was pretty much with anything active, food, getting food or even sleeping patterns were impacted, and it's things like daylight, temperatures, things like this, which can have an effect. So something for I would say zookeepers to keep in mind when they're deciding on what type of animals to have in the zoo. So I thought this was interesting.

Marcus Johnson:

I'm surprised that there isn't an option. I think there'll be an option in the future if you want to go to Australia and you don't really want to... It's a long flight, you don't want to be awake that long, you have the option to take an anesthetic basically, and they'll put you to sleep just for the flight. Don't you think that... Would you, guys?

Rahul Chadha:

I thought that's what Ambien and Xanax was for.

Marcus Johnson:

But I mean one where-

Max Willens:

Yeah, that's what the bar cart's for.

Oscar Orozco:

But also I guess it would only help maybe. A little according to this, the body would just be like, "Where am I and why is it dark right now? Why is it so hot?"

Marcus Johnson:

Yeah, it wouldn't help much for jet lag.

Oscar Orozco:

It might not help as much. And so that was another takeaway from this, yeah.

Marcus Johnson:

You would skip the actual flight part, but yeah, the jet lag would still pummel you. You said you were suffering from jet lag coming back from Spain?

Oscar Orozco:

Yes, terribly.

Marcus Johnson:

Oscar lives in Portugal, for folks who are listening. It's like an hour flight.

Oscar Orozco:

I wish. I wish. No, it sucks. Not great.

Marcus Johnson:

Yeah, it's brutal. All right, folks. I've got one for you, but there's a lot. So let's see how much we can get through. So when do most people retire and how much do they have saved up? So first thing, the average retirement age is 66 for Americans according to Gallup, which is up from age 60 in the 1990s, according to the Social Security Administration, SSA. The second thing here, you could need way more money than you'd think.

According to 2022 CDC survey, the actual mean retirement age is 61. So with current life expectancy at 76, people can expect 15 years of retirement or a lot more. A 65-year-old woman has a 50% chance of making it to age 87. So that's 26 years of retirement. A man has a few years less, so potentially 24 years of retirement, according to the SSA. A third thing, less than 40% of individuals are actively participating in a 401k plan according to the US Bureau of Labor Statistics. However, 75% of non-retired people, non-retired adults, have some kind of

retirement savings, notes the Fed. The problem is only 40% of these folks think their retirement savings are on track, in part because nearly half of people 40 to 80 have taken money out of their retirement plan according to TD Ameritrade.

A few more for you. Where retirement income comes from. 2023 Gallup Survey, 48% of people who haven't retired yet are funding retirement through their 401k, but a higher share, 59% of actual retirees say they're funding their retirement via social security. That's nearly double the number of those retiree folks who are using their 401k. 40% of people who get Social Security rely on it for over half of their income. For a quarter of married people, married retirees, and half of unmarried retirees, social security accounts for at least 90%, almost all of their income. Quarter of married retirees and half of unmarried retirees.

How much do people get is my fifth point here. How much do people get in Social Security in 2022. The average monthly social security benefit for retired workers was 1800 bucks. That's 22,000 a year. That's only slightly more than you would make if you were above the national poverty line, which is \$18,000 for a family of two. A strong reason that 15% of people over 65 live in poverty. That's double the national average of 8%. We talked about people living 15-plus years after they retire. Government data also shows that nearly 70% of individuals who reach 65 will need long-term care at some point. The median cost of assisted living facility is five grand a month according to General Worth Financial Inc.

Two more for you. How are Americans doing with their retirement savings so far? PWC report shows that the median retirement savings for people 55 to 64, 55, 64 is \$120,000. So that's giving you 60 grand a year for two years, 40 grand a year for three years before that disappears. People younger than that, 35 to 44, they have just under 40, 4-0, thousand, according to 2017 report from PWC. Also, that data was backed up by a 2017 report from the Government Accountability Office. And the final thing here is retirement might actually be a bad thing anyway. National Bureau of Economic Research revealed that complete retirement leads to a five to 16% increase in difficulties associated with mobility and daily activities. People are doing less so they are doing even less and doing even less. A five to 6% increase in illness conditions and a six to 9% decline in mental health.

Oscar Orozco:

Oof.

Max Willens:

That's the most depressing dinner party data I've ever heard in my entire life.

Marcus Johnson:

You're welcome.

Oscar Orozco:

That was tough. That was tough. There's so many takeaways from that. I mean, just the last one. So many people are not ready for retirement, I think that's the problem. The Man would love you to think, "Keep working," but it's just that people, they're not used to having that extra time or not prepared for what comes after. So I think that's almost the biggest takeaway for everyone listening.

Marcus Johnson:

Yeah, and some people just aren't allowed to. So my dad tried to retire the other day and my mom told him, "No." I'm kidding. She actually said, "Let's talk about it in a few years." That's all we've got time for this episode. Thank you so much to my guests. Thank you to Oscar.

Oscar Orozco:

Thanks, Marcus. Thanks for having me.

Marcus Johnson:

Of course, sir. Thank you to Rahul.

Rahul Chadha:

Always a pleasure. Thanks, Marcus.

Marcus Johnson:

Yes, indeed. And thank you to Max.

Max Willens:

Thanks Marcus.

Marcus Johnson:

Thank you, mate. And thank you to Victoria who edits the show, James who copyedits it, and Stuart who runs the team. Thanks to everyone for listening in. You can find us on Instagram, @Insiderintelligence, one word, for all the behind the scenes content you can possibly desire. We'll see you guys hopefully on Monday for the Behind the Numbers Daily eMarketer Podcast made possible by Intuit MailChimp. Happy weekends. Unless you're playing me in fantasy this week. I need this. I need this one. Oscar, how are you doing?

Oscar Orozco:

Terrible.

Marcus Johnson:

Are you 0-4 now? Don't say it.

Oscar Orozco:

Yes, man.

Marcus Johnson:

0-4.

Rahul Chadha:

Oh, my God.

Oscar Orozco:

Never was I 0-2, and I'm 0-4. It's a disaster. I don't deserve it. I don't deserve this.

Marcus Johnson:

What do you mean you don't deserve this? You never get me to help you with the draft. You bring this on yourself.

Oscar Orozco:

Could be. Could be, man.

Marcus Johnson:

You're the equivalent of the Panthers.