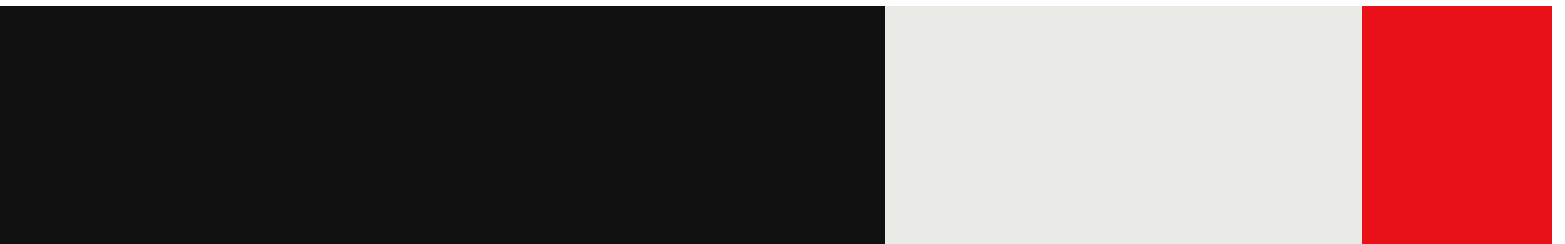


# The Weekly Listen: Is Apple too big, can Aldi be the next Walmart, and is drone delivery about to get real?

Audio



On today's podcast episode, we discuss how the Apple monopoly trial could change the smartphone market, whether Aldi can take on Walmart, if gambling ads will get banned, the impact of Amazon's "Big Spring Sale," how seriously we should be taking drone delivery, where the happiest people in the world live, and more. Tune in to the discussion with our analyst Blake Droesch and vice presidents of content Suzy Davidkhanian and Paul Verna.

*Subscribe to the "Behind the Numbers" podcast on [Apple Podcasts](#), [Spotify](#), [Pandora](#), [Stitcher](#), [YouTube](#), Podbean or wherever you listen to podcasts. [Follow us on Instagram](#)*



Episode Transcript:

Marcus Johnson:

This episode is made possible by Nielsen. Sharpen your media planning with Nielsen's Upfronts/NewFronts Guide, whether it's linear TV or streaming, Nielsen helps you optimize reach and impact, so visit [nielsen.com](https://nielsen.com) for more information.

Hello, everyone, and thanks for hanging out with us for The Behind the Numbers Weekly Listen, an eMarketer podcast made possible by Nielsen. This is the Friday show that got uncomfortably close to the camera before we started recording. Right, Blake?

Blake Droesch:

Too close? Am I still too close? Do I need to back off more? I could just turn the camera off.

Marcus Johnson:

Always.

Blake Droesch:

It might be better for all of us.

Marcus Johnson:

Would you mind?

Blake Droesch:

No, I don't mind. It's cool.

Marcus Johnson:

I've requested it several times. There we go, finally. I'm your host Marcus Johnson. In today's show, what the Apple monopoly trial could do to the company. Can Aldi take on Walmart? Are some countries about to end gambling ads? How successful was Amazon's spring sale? Is it time to get real about drone delivery? And where do the happiest people in the world live?

This podcast, that's where. I'm kidding, this group is miserable.

Suzy Davidkhanian:

Hey.

Marcus Johnson:

Joining me for this episode is that very miserable group. We'll start with our vice president of contents. She heads up the retail and e-commerce team based in New York City. It's Suzy Davidkhanian.

Suzy Davidkhanian:

Thanks for having me, but I would like to protest that we are not miserable.

Marcus Johnson:

No time, we don't have time for that. We also have one of our vice presidents of contents who covers everything. I don't even know what you cover anymore, advertising, media-

Paul Verna:

Advertising, media, tech, social, B2B marketing-

Marcus Johnson:

Argentinian soccer, B2B stuff.

Paul Verna:

Funny you mention that, Marcus.

Marcus Johnson:

No, no, no. No time to talk about how they won.

Paul Verna:

We'll talk about that later.

Marcus Johnson:

It's Paul Verna. Welcome to the show.

Paul Verna:

Hey, great to be here, and I will say I'm the 23rd most miserable person on the planet.

Marcus Johnson:

That's still pretty high. We're also joined by someone on that very retail and e-commerce team Suzy heads up. It's our senior analyst based in New York. It's Blake Droesch.

Blake Droesch:

Good to be here with the big shots. Me and [inaudible 00:02:23] shots, two VPs. I'm just a little me.

Marcus Johnson:

It's going to be an okay show. Paul's in New York. I didn't say that before. That's where he is.

Suzy Davidkhanian:

We're all in New York.

Marcus Johnson:

Above the city, that is true. You are all in New York.

Paul Verna:

I'm above the city like a drone hovering over.

Marcus Johnson:

This doesn't live above New York, that's crazy, in the blimp. That would be fun.

Paul Verna:

They don't allow drones in New York. More on that later, folks.

Marcus Johnson:

Because you keep trying to live in them, above New York City. What do we have in store for? You've got the story of the week. We'll start there talking about Apple and whether they're a monopoly or not. We then move to the game of the week. We've got a new one for you. I think we might have played this before. It's called Move the Needle. I'll explain later, and then we end with some random trivia in Dinner Party Data. We start of course with the story of the week.

What the Apple monopoly trial could do to the company. "Apple is facing a new antitrust lawsuit that could dethrone the iPhone," writes Nicole Narea of Vox. She asks, "Does Apple have a monopoly on smartphones?" The Justice Department thinks so. She explains that the Department of Justice, DOJ, joined by 16 state attorneys general accused Apple in a New Jersey federal court of maintaining a monopoly on the US market for smartphones, of which the iPhone makes up 65%. Complaints makes more sense, alleges that Apple has deliberately

thwarted both apps, products, and services that would make it easier for users to switch from the iPhone to other smartphones and lower costs for consumers and developers. The suit claims a couple of things, one, apple has restricted super apps because it makes users less dependent on Apple's ecosystem. Two, until recently, the App Store limited the availability of cloud gaming apps played without an iPhone. Three, it's harder to send SMS messages between iPhone and non iPhone people, think the green bubbles.

Four, when you pair a non-Apple smartwatch with the iPhone, the experience isn't as good, and five, you can't use digital wallets on the iPhone very well, except for the Apple Wallet. The complaint sites internal communications and messages from Apple executives showing the company was aware its App Store policies would have the effect of discouraging competition. Apple said the lawsuit sets a dangerous precedent empowering government to take a heavy hand in designing people's tech. So, that's where we find ourselves. Folks, what kind of impact will this have on Apple? Paul, we'll start with you.

Paul Verna:

I'm skeptical of a lot of the antitrust suits against tech giants, because they typically don't succeed and I think that while the arguments in this case are pretty solid, you can look across the other big companies that are always in the same conversation. So obviously Amazon, Meta, Google, and they all have ways in which they try to keep you within their ecosystem, and I know they've all been sued, and this one being more specific to the phone, you could still look at it as, yes, Apple has done all these things that are alleged, but there's still a whole Google phone ecosystem out there, maybe not dominated by one hardware maker, but it's sort of like a two-horse race. So, I just don't see a strong argument to basically declaring Apple a complete monopoly here.

Suzy Davidkhanian:

Technically, a monopoly is when someone has it all, the whole market share basically more or less and doesn't leave room for competition. So, if we think that Apple is alone, then what about me and my Android? Everybody knows I have an Android. I didn't actually think... Everybody who listens regularly and all my friends and family who have the bubble-

Paul Verna:

And Marcus, too, right?

Suzy Davidkhanian:

Marcus, too. I think it's a bit of nonsensical kind of, even the four things that they alleged. Isn't that the whole point of a business is to try and figure out how to keep you in their own ecosystem? So, that's the whole thing about a loyalty program, a subscription service, they were trying to keep you within the realm of their world. I text with everybody and I don't have a problem and I don't think they have a problem, even though we all have different color bubbles.

And I also think that this idea of this super app, it's not about Apple, it's consumer behavior in the US doesn't lend itself well today to a super app, and for the folks who don't know what a super app is, it's like when you can do your banking, you can do commerce, you can do community buying, you can do group chatting, you can do all kinds of things in one space. There are apps like Uber and PayPal who've been trying to get there. It's just that we don't have the right consumer behaviors today in the US to do it. The most immediate issue for Apple is that their stock is down and the value of the company is down, and any time you're in the news in a bad way and the government's on top of you, that's going to be the biggest problem.

Paul Verna:

The irony with the super apps is that you could argue that a super app is more monopolistic than whatever Apple is doing with their phones.

Suzy Davidkhanian:

Seriously, and the fact that they have a bigger App Store revenue, it's probably because if I was talking in lots and lots of stereotypes, younger people typically have an Apple phone and they're the ones that are more likely to buy things in the Apple Store and then buy the add-ons in their games to keep up with whatever everybody else is doing.

Marcus Johnson:

The super apps argument, probably not their strongest because there aren't any in the US. WeChat is the one everyone cites, but that's predominantly in China. So Suzy, you said a monopoly is taking up the whole of the market. 65% share is pretty high. I don't know any market or any player in the market with a higher share of that market. So, it does seem like



they're getting to a point where they are the only game in town to a certain extent. Blake, where do you land on this?

Blake Droesch:

I just wonder how Marcus and Suzy feel that the federal government has come out and said that the green texting app is so uncool that in fact it is illegal to be that uncool and that the FTC is now having to come in and intervene on your behalves. I think-

Suzy Davidkhanian:

It's not us.

Blake Droesch:

... The biggest is-

Marcus Johnson:

You've been writing to them for years.

Blake Droesch:

The biggest impact for Apple is obviously it's going to be a logistical headache for probably a period of years until this lawsuit eventually reaches its long conclusion, but you've got to think if the purpose of this really is to increase competition within the market, I don't believe that there's really anything that they could do that would be able to potentially diminish Apple's market share. I think more or less, no matter where you stand on this, the damage is done. Apple has a vast, vast, vast percentage of the American consumer that is very loyal to their products and to their ecosystem, and I'm not sure that anything that they could do going forward is really going to diminish it. So, if this is about slapping Apple on the wrist for past behavior, then sure, that's one thing, but if the intention of this lawsuit is actually to create a market where there's more competition, and Apple's market share would go down, I don't see that being effective at all here.

Suzy Davidkhanian:

Plus, I think if I was worried about their competition, the landscape, it would be more the iPad. There really aren't that many great... As an Android user and an IBM laptop owner, I have an

iPad because there's no good tablet out there, so I don't even understand why it's about the smartphone. There are so many great hardware smartphones out there that you can use.

Paul Verna:

And as the only iPhone user in this room, I can say that all of you green bubble people, I think you're just as cool as I am.

Marcus Johnson:

Green bubble people?

Suzy Davidkhanian:

I think Blake is an iPhone user.

Paul Verna:

Oh really?

Blake Droesch:

I am an iPhone user, but a little caveat-

Suzy Davidkhanian:

It's international versus not.

Blake Droesch:

... By saying that I'm an iPhone user, but I use almost entirely Google apps. So, it goes to show you it's not like it doesn't welcome other types of software on the platform. Yes, it maybe makes it a little bit harder, but as Paul alluded to, all of these tech companies have ways to keep their users within their ecosystem. It doesn't mean it's impossible.

Suzy Davidkhanian:

And the other thing is I think the whole end discussion at this point is not about the monopoly or non-monopoly, because I think Blake said it really well, that it's kind of too late for that. I do think having the government be heavy-handed in some of these bigger players may reduce entrepreneurial spirit. People might not want to make the next big thing happen if the government's going to get involved.

Marcus Johnson:

So, what could change? Likely nothing, but what could, change structural remedies? A, breaking up Apple's business or B, restoring competition in the app market. Scott Rosenberg for Axios noting structural remedies are pretty rare to say the least in US antitrust, courts broke up Standard Oil, that was 100 a years ago, AT&T, 40 years ago, and nothing since. In 2000, Microsoft was nearly broken up, but the judge's ruling was overturned on appeal and I can't remember who said it, but this is going to take a while, so you can check back when LA hosts the 2028 Olympics, because Ton... Let me get this right, Sacconaghi of Bernstein noting precedent suggests resolution of the complaint will take three to five years, including appeals.

Paul Verna:

The last big tech breakup was around the time that Neil Sedaka wrote Breaking Up is Hard to Do, which is a long time ago.

Marcus Johnson:

A couple years. That's what we've got time for the story of the week. We move to the game of the week. Today's game, Move the Needle, where I read out four stories and have contestants, Suzy, Blake, and Paul tell us how much they think these stories will Move the Needle out of 10 and why. Okay answers get one point, good answers get two, and answers that give you the same feeling as when you think you're out of ketchup and you find a few extra packets in that kitchen drawer that you saved for no reason until now. Good feeling?

Suzy Davidkhanian:

No.

Marcus Johnson:

No?

Suzy Davidkhanian:

Who uses ketchup?

Marcus Johnson:

Everyone in the country. It's America's favorite food. Right, America?

Paul Verna:

I just don't get people putting ketchup in their eggs, but that's just me.

Marcus Johnson:

Eggs?

Paul Verna:

Ah.

Marcus Johnson:

Yep, it happens. It's a thing.

Marcus Johnson:

I've been there.

Suzy Davidkhanian:

Spaghetti, I've seen ketchup in a lot of places and I just don't understand, all sugar.

Marcus Johnson:

It's all sugar. Answers to leave you with all sugar feelings will get you three points. Each person gets 20 seconds to answer before they hear this. Most points wins, let's play. Round one. We start with Paul Can Aldi or Aldi, however you say it, take on Walmart? An Economist article notes that two German brothers started the world's first discount grocer in the 1950s, it's called Aldi, as I said. Well-known name in Europe, now the supermarket is taking the US by storm opening around 100 shops a year. "Faster than anyone else," says property consultancy JLL. Last year, Aldi took over 400 Winn-Dixie and Harveys Supermarkets in the South of the US, and they plan to invest \$9 billion over five years, opening 800 new Aldis on top of the 2,400 it already has. Walmart, for reference, has 4,700 stores, but Paul, can Aldi take on Walmart out of 10.

Paul Verna:

So, I have to give you a number?

Marcus Johnson:

Yes, we went through the rules before we started recording.

Paul Verna:

So, I'm going to say four. There's a four in 10 chance that this will... No, let me say three in 10 chance. Yes, Aldi is opening a lot of stores. They actually have about half as many stores as Walmart, which is astounding, but I think they're also growing at a pace that doesn't seem sustainable and they don't just have to go up against Walmart. Yes, they're a grocer, but now you've got grocery delivery and you have Amazon getting bigger or getting more involved in that market. So, I think it's going to be more and more competitive as they continue to try to grow. So, growing through acquisition, that's low-hanging fruit right now, but I just don't see that that's something they're going to be able to sustain to the point they need to really dethrone Walmart.

Marcus Johnson:

Suzy.

Suzy Davidkhanian:

Zero. I think it's a big old zero. I think this is in the news a lot these days, because there aren't a lot of retailers or grocery stores or any kind of retail brand operation that's growing leaps and bounds and adding stores. Every year you're hearing much more about cutting stores, but I just don't think it's going to work. Walmart has scaled not only in the number of stores, like Paul was saying, but also operationally and because they are everywhere, Blake just gave us the stat, 90% of the population is in a 10-mile radius of a Walmart store.

So just from a delivery perspective, they are winning, and from an operational scale from an economies of scale perspective, so their items are cheaper, but more importantly, I think the reason why Walmart will always win in this area is because you can go to Walmart and do multiple shopping things in one space. And from what I understood, Aldi's don't even have fresh meat, fresh cheese, fresh baked goods. So, you can't even go to an Aldi and complete a full grocery run, you have to go somewhere else. So for that, and also just from a brand loyalty perspective, they are both in the same value proposition space, and I just think the Aldi brand isn't strong enough here.

Marcus Johnson:

Blake.

Blake Droesch:

I agree, I guess I'd give it one or a two out of 10, but Aldi is a very interesting business model. It's obviously growing very fast and potentially is filling a sort of niche that the American consumer is really looking for right now, but it's almost an apples and oranges comparison with Walmart. Exactly what Suzy just mentioned, I totally agree. The whole value proposition of Walmart is not only that you're getting good value for your goods, but you're also going somewhere where you can complete an entire shopping trip at a single retailer. And if you are living in a rural area or a less densely populated suburban area and you have to drive 15, 20 minutes to get the store, you're not necessarily going to be going to Aldi and then popping over around to Walmart, which could be another 20 miles out of the way to get everything that you need. It's not sort of a one-stop shop. It has that value driven component, but it can't compare to what Walmart offers the vast majority of American shoppers.

Marcus Johnson:

So Paul gave three, Suzy zero, Blake one to two, so pretty low scores across the board. Suzy, you mentioned economies of scale. They don't have the same ones as Walmart, but pretty decent. They're keeping costs low with simplicity. Aldi offers way fewer choices than rivals. The article from the Economist saying they offer 1,600 products on average. The typical American supermarket has 20 times as many. Trader Joe's, which is pretty stripped down, has double the amount of products that Aldi has. 90% of Aldi's products are its own brand, so it keeps more of its margins, which is good for it. It's been benefiting from two things, which might not last. The Economist piece was noting one, high food inflation drove folks towards Aldi's low prices. Food prices are lower, but still 23% higher today than four years ago, and two, the FTC shutting down a competitive \$25 billion mega merger between Albertsons, second-largest supermarket chain by sales, and Kroger, the largest.

Suzy Davidkhanian:

But I think if the question is, will it be okay in the US? The answer is yes. If it's on your way and you like these brands, it has a little bit of an international flavor, cool, do it. It's easy, there's not a lot of people there. It's easy to navigate, but if it is, will it overtake Walmart? There's no way.

Marcus Johnson:

Yep. Round two, we start with Suzy. "A call to end gambling ads as athletes and celebrities are shut out of them," writes Ian Austen of the New York Times. He notes that the group BanAdsForGambling want the governor to mirror its blanket restrictions on tobacco ads, citing addiction and its effect on sports. Two years ago, Canada's federal government opened up sports betting, but now there's a new rule in Ontario that bars online gambling ads featuring athletes and celebrities. Calls for a nationwide ban on those gambling ads are getting louder. The group argues sports betting is fueling gambling addictions and ultimately brings costs to the public healthcare system and the general economy that are higher than the tax revenue it generates. But Suzy, what are the chances gambling ads get banned out of 10?

Suzy Davidkhanian:

So in the immediate future, I would say four. This made me laugh so hard, because it's so many different components. There's an athlete who's upset that people are spending more time figuring out if they're going to win money or not. Then, there's the whole angle around if you think about Kim Kardashian and crypto and can you have a superstar on a gambling ad that's going to impact the way you think about what you're gambling on, and then you're going to be upset about it? I think the reason why it's more likely to get banned at some point in the future is around the same reason around drugs and cigarettes and how that was being advertised a ton. And even if you think about alcohol, there's less and less around the cool factor of alcohol usually speaking in advertising. So just from an addiction perspective, I just think the revenue is too high for the governments right now.

Marcus Johnson:

Blake.

Blake Droesch:

There's a zero out of 10 chance that it actually gets banned in its entirety, because tobacco companies can still... They may be relegated to the pages of print magazines, but they can still advertise technically. So, there will be a way, but I think the regulation coming down is going to be a 10 out of 10. So, I'd say zero out of 10 total ban, 10 out of 10 for severe regulations around the way that it is positioned in advertising, the cool factor, the celebrity endorsements. I could definitely see as well some sort of regulations about advertising during sporting events as well. I think that we're going to see a lot happen in the next couple of years. Maybe

there will be a watershed moment, but it'll be slow, but it'll slowly but surely happen. And I just place bets through my translator, so I don't even use these apps, so I'll be okay.

Marcus Johnson:

I see what you've done. Paul.

Paul Verna:

Well, I'll also be okay, because my butler does all my betting for me, but I will say as far as the chances that it gets banned, that advertising for sports betting gets banned in Canada. I put that at a three. In the US, I put it at a zero, or if we had negative numbers on the scale, I'd go negative. The amount of money that is being wagered for sports betting is increasing exponentially. It's going to quadruple in the space of four years from 2021 to 2025 according to our forecast. So, that's almost over 230 billion wagered in 2025, and there's a great hypocrisy here where the leagues, the colleges, and sports venues, they're all attaching themselves to these brands and they're all obviously advertising at a very heavy pace on all sports broadcasts and elsewhere. And I think there's so many problems attached to this type of betting, but I just think that the lobbying power and the dollars at stake are going to override all those other considerations, unfortunately.

Marcus Johnson:

I just want to talk about the concerns around online gambling for a second because, Paul, me and you talked about this last September on an episode titled How Sports Betting in America Came Out of Nowhere. We talked about problem gamblers. They're folks with an uncontrollable urge to gamble despite negative consequences in a person's life. And Rachel Volberg, a UMass Amherst professor who has studied gambling prevalence and behaviors for over 30 years was saying in 2013, so this is 10 years before sports betting exploded, 5 million American adults could be classified as problem gamblers, a further 21 million people were considered at risk of becoming problem gamblers.

So, it's nearly 10% of Americans being problem gamblers or at risk of becoming one. Some other numbers from that episode I thought were fascinating. The US spends \$1 per capita on treatment for problem gambling for every 320 it spends on substance abuse treatment according to the National Council on Problem Gambling. And the last one here is there are federal agencies and research for drug and alcohol abuse, none for problem gambling. We'll see. At the halfway mark it's all tied up four points apiece. We moved to round three-



Suzy Davidkhanian:

Did you see how that's just so made up?

Marcus Johnson:

Why is it made up?

Suzy Davidkhanian:

That was so made up. How did you decide that it was all tied up?

Marcus Johnson:

Because of the scorecard. Paul had two in the first round, two in the second. Suzy started strong with three, then one, not so great answer in the second round, and Blake also two and two.

Paul Verna:

Suzy, like all monopolies, this one, there is an algorithm, we just don't know what it is. They don't tell us.

Marcus Johnson:

This monopoly is run by me.

Suzy Davidkhanian:

He's the monopoly of this.

Marcus Johnson:

Round three. We start with Blake and Amazon's spring sale. Amazon is adding a spring sale to its calendar in an attempt to fortify sales or has added an attempt to fortify sales and fuel its thriving ad business rights. Our retail briefings analyst, Rachel Wolf, the retail giant's first ever big spring sale ran March 20th to the 25th with deals on seasonally relevant items, think outdoor furniture and clothing. Prime users had access to exclusive promotions. Last year, former e-marketer analyst, Andrew Lipsman on our Reimagining Retail Show said this type of a spring sale from Amazon could happen in 2024, and it did. Shout out to him for getting that prediction right, but Blake, how big of a deal was Amazon's spring sale out of 10?

Blake Droesch:

Well, without seeing any official data on the results of the sale, I'd give it about maybe a four out of 10. If we are considered the peak Prime Day sales to be like a 10 of 10, which they have been in previous years. There are plenty of areas where Amazon could focus and squeeze more market share out of these e-commerce categories. Home improvement is certainly one of those categories. We saw it really did well during the sort of DIY revolution during the pandemic when everybody was fixing up their homes.

But I think that they've struggled to sort of make inroads in that category, so it makes sense that it's a focus. But the thing for Amazon I think is at a certain point, if you're going to have these blockbuster deals at once a quarter, which is what it's turning out to be, you lose a little bit of the magic, I think, and the hype around the sales event. So, that's why I'm preventing it from being such a higher number is basically having a Prime Day in every quarter I think loosens the value of having sort of a big blockbuster event, which they've done in years past.

Marcus Johnson:

Paul.

Paul Verna:

I think what they lose out of diluting the big blockbuster event they gain by having regularity here and seasonality. So, I'm going to give this a six and might even give it a seven, because I just bought two pairs of Levi's and-

Marcus Johnson:

Slow down.

Paul Verna:

... Frankly, didn't even know about the whole spring sale thing. I remember when Andrew talked about it, so it was sort of like in the back of my mind, but I had no idea that I was actually buying this thing on sale. When I saw the price, I'm like, "Hey, I got to get two of these." So, it worked for me, it's probably going to work for a lot of other people.

Marcus Johnson:

You really splurged there, Paul, with two pairs of jeans.

Paul Verna:

I did, but they cost quite a bit less than they would've been in a non-big spring sale.

Suzy Davidkhanian:

So Paul, your intention was to buy one, and because they were on sale, you bought two?

Paul Verna:

My intention was to shop around and see where I could get a good deal and I was probably going to buy two anyway, but I just definitely hit that-

Suzy Davidkhanian:

A retailer's worst nightmare. You were ready to pay full price. You had no idea that there was a sale and then you bought it. You were ready to pay the \$60, but [inaudible 00:28:18]-

Paul Verna:

I wasn't ready to pay the 60. I was going to see what the prices were and see if I could get a deal, but I just wasn't aware.

Marcus Johnson:

You have a butler, you're always ready to pay \$60.

Paul Verna:

Exactly.

Marcus Johnson:

Suzy, you're up.

Suzy Davidkhanian:

I think the jig is up. I'm giving them a two. Not knowing the volume, but even regardless of what the volume is, I think they're just pulling money forward and moving the money around. Consumers' budgets are consumers' budgets, just like Paul was saying right now, the best example, these surprise sales that nobody hears about anymore and that just kind of get lost and watered down mean that the retailer is losing margin money. You are buying things that you're ready to buy at a higher price, you didn't even realize, you weren't anticipating for it,

you weren't waiting for it. The idea that Amazon Prime members have a leg up is also starting to feel less and less real if talk about Amazon and the government and all the legislation around what they're doing. So, I just think that they need to find other ways to fuel their business.

Marcus Johnson:

All right, folks, heading into round four, double points round four that is, it's seven for Blake, Suzy and Paul have six apiece. We'll go quickly through round four. We start with Paul. Drone delivery is about to get a real, thinks Joann Muller of Axios. She points out that Zipline and Wing, two of the world's leading drone delivery companies are preparing for wide-scale US deployment starting next year, as long as final regulatory hurdles are cleared. In other drone news, Alphabet-owned Wing unveiled its automated Wing delivery network, I think the Uber of drone delivery. In partnership with Wing, Walmart will make drone delivery available to nearly 2 million shoppers in the Dallas-Fort Worth area by the end of this year with some folks eligible for 30-minute delivery or less, and DoorDash just added drone delivery to its menu as well. But Paul, how seriously should we be taking drone delivery at this point out of 10?

Paul Verna:

Two. I'm a big skeptic of drone delivery as a mainstream way to get goods to people. It still strikes me as one of those, what could possibly go wrong scenarios, where there are just so many pitfalls, not to mention that there are no drones in New York. So, all of us are in New York right now, where I am very New York centric. So, part of it comes from me just not seeing it in my world. I get that there's a time and a place for it, but it just seems to me that there are too many technical hurdles and frankly cost hurdles when you start... Kids are probably going to start pranking or doing TikTok contests to see who can shoot down a drone just for the hell of it, and there's just too many obstacles in my view.

Marcus Johnson:

Suzy.

Suzy Davidkhanian:

So, I am giving it a four, because I do think that there's some value when it comes to medicine and other very small things, but I don't think that there is value overall. And in addition to some of the things that Paul was saying, I think it's an operational inventory hurdle. I tried to

buy next day delivery on Amazon. I am a Prime member and I didn't get it for two days, and when I, because I couldn't help myself, chatted with someone to ask about that, it wasn't available in the distribution center closest to me, and I should have paid more attention at checkout where it was telling me the exact day, but I was looking for something that I would get the next day, otherwise I would've walked to the store and bought it and they had no answers.

So, I feel like from an operational perspective, in terms of inventory, you're just adding extra friction points. If you think about Wing, it's five years in, they're doing the pilot with Wendy. You will only know if you're eligible for drone delivery after the fact. So you go in, you're all excited, but not everybody... It's an address eligibility thing, and so not everybody is available to get it. And so, I just think right now it's too soon to be excited about it

Marcus Johnson:

Partnership with Wendy?

Suzy Davidkhanian:

Yeah, apparently they're doing a pilot. Wendy, the fast food restaurant.

Marcus Johnson:

Oh, Wendy, as well as Walmart. Blake.

Blake Droesch:

I'm more bullish on drone delivery. I'll give it like a 6.5 out of 10.

Marcus Johnson:

Specific.

Blake Droesch:

I don't think that it's obviously going to replace mainstream last mile delivery, but there's so much competition in getting people the things that they order as quickly as possible, whether it's from retailers or restaurants that I think drone delivery could be a pretty prominent tool within the tool belt of last mile fulfillment. If you look and see what's going on in Ireland, for example, where drone delivery actually is taking off to a degree... But no, I think a place like Dallas, you're going to start seeing a microcosm of how it could work and how it could be

built into the other types of last mile fulfillment and expand to other areas, not New York, but other areas that are a little bit more open where it actually could work.

Suzy Davidkhanian:

But only if they can carry more than five pounds, right?

Blake Droesch:

There's a lot of things that people order that weigh less than five pounds. I'm not saying it's going to replace any of the other last mile, but it could be an ancillary thing that-

Suzy Davidkhanian:

Definitely not for Aldi.

Blake Droesch:

... Actually works for smaller orders.

Marcus Johnson:

A long time ago Amazon came out and said, I think it was 85 or 90% of things that were shipped were five pounds or less. Now, that was a long time ago and people buy all sorts of stuff online now, but even if it's 75%, even if it's half, even if it's 30% or 10%, that's still a fair amount of objects people could get delivered through the air. Very good game of the week, folks. Let's count the scores. This week's winner, not just because of the pun, Blake.

Congratulations to Blake. 13 points for Blake, very high score indeed to Suzy and Paul's 10 a piece. He gets the championship belt and the last word.

Suzy Davidkhanian:

It's still made up.

Marcus Johnson:

It's not made up. It's only made up when you lose, Suzy, rather coincidentally. You rarely have a problem with the scores when you win, huh?

Suzy Davidkhanian:

I never win, so I will always have a problem.

Marcus Johnson:

That's true. Blake, last word.

Suzy Davidkhanian:

Oh, Blake is acting surprised. He knew he was going to win.

Blake Droesch:

It's a shock, but also, it's an honor. I'm just privileged to be here with the two VPs of content. I sort of feel like I'm the Graham Nash in this situation, but thanks for having me, Marcus. It's all I want to say.

Marcus Johnson:

Always a pleasure.

Blake Droesch:

And thanks to our listeners.

Marcus Johnson:

Let's move to Dinner Party Data. It's the part of the show where we tell you about most interesting thing we learned this week. We move quickly today. We start with Blake, because he won.

Blake Droesch:

So, this is Easter weekend that we're going into, so happy Easter to all those who celebrate. In New York, they have a tradition of the Easter Parade where everybody gets dressed up in their fancy clothes, their Sunday best, and I did a little bit of reading into the history of that and it actually comes from-

Marcus Johnson:

Is this true?

Suzy Davidkhanian:

I didn't know.

Blake Droesch:

The Easter Parade.

Marcus Johnson:

I lived there for seven years, I had no idea.

Blake Droesch:

Marcus, you don't live here.

Marcus Johnson:

I used to.

Blake Droesch:

The Easter Parade is the, inside tip, probably the best parade that New York has to offer, because it's kind of slept on and it's not overblown, but it goes down Fifth Avenue. People wear like seersucker and bonnets and it's great, and the history of it actually is interesting. Easter clothes used to be considered good luck. So, it was an old superstition held that if you wore new clothes on Easter, you would have good luck for the rest of the year, and it was so widely believed that upper class New Yorkers would strut their stuff coming out of attending Easter mass at midtown churches, and the tradition became the basis of the modern Easter Parade in New York.

Marcus Johnson:

Better than the Macy's Parade?

Blake Droesch:

The Macy's Parade sucks.

Marcus Johnson:

Oh.

Suzy Davidkhanian:

Hey, it doesn't suck.



Blake Droesch:

Sorry, Suzy, it doesn't have anything to do with the sponsor. It's just like the Macy's Day and the Thanksgiving Parade, and the St. Patrick's Parade are nothing, but a hassle to those of us who reside in the area.

Suzy Davidkhanian:

Oh, that's not how you can measure success.

Blake Droesch:

It's so hard to get around.

Suzy Davidkhanian:

The Half Marathon caused so much chaos two weekends ago.

Blake Droesch:

Shout out to my mom who ran the New York City Half Marathon.

Suzy Davidkhanian:

Oh, wow.

Marcus Johnson:

Oh, very nice, yes. Congratulations to Mrs. Blake.

Blake Droesch:

Thank you.

Marcus Johnson:

That's not your last name, but you know what I'm saying, very nice. Suzy, you're up.

Suzy Davidkhanian:

So, I just came back from a very quick beach getaway and I was very fortunate that I got to go on the second one this year already, and this particular location had so much chocolate stuff. So I wanted to see, do you guys know which is the biggest producer of cocoa beans?

Marcus Johnson:

Oh, Cote d'Ivoire?

Suzy Davidkhanian:

Yeah, Cote d'Ivoire, 2.2 million tons in 2022. I don't have newer numbers. Then, it's Ghana, and the place I went was last in the list of top 10, it was Dominican Republic at 76,000, but you wouldn't know it from the duty free. It was everywhere. \$161 billion in global sales by 2027, used for three separate things, usually as ingredients for beverages, for baked goods, and for confectionary, and that is the biggest part, at 128 billion projected to be in 2024. I could go on and on, but what I will tell our friends that are retailers that sell chocolate, sustainability is really important, and that's everything from the packaging, to the ingredients, to the place where the cocoa beans and the ingredients are coming from. So, make sure that that's what you have on your shelves.

Marcus Johnson:

Thank you to the Ivory Coast. We would be nowhere without you. I don't know how the world would function without chocolate. Paul, you're up.

Paul Verna:

Speaking of Easter, in 1953, when Peeps were first introduced, it took 27 hours to make each one by hand using a pastry tube. Now, it takes about six minutes to make one. More importantly, every eight seconds a baby is born in the US and 509 Peeps are hatched in that same time, so a lot more peeps than little peeps

Marcus Johnson:

27 hours?

Paul Verna:

Yes.

Marcus Johnson:

Why bother? Someone's making them just like, "Oh, these look really nice. How long did it take you?" "27 hours."

Suzy Davidkhanian:

And now it's six minutes?

Marcus Johnson:

Don't bother.

Paul Verna:

That's still a lot.

Blake Droesch:

You said minutes. Is it six seconds?

Suzy Davidkhanian:

I think it's six seconds, it must be.

Blake Droesch:

That's way too long to make them. They're not even that good.

Suzy Davidkhanian:

Wait, to make a package maybe of 10?

Paul Verna:

I'm just telling you what I'm reading here.

Marcus Johnson:

That's what happens when you get your butler to do your research.

Paul Verna:

Exactly. One last data point, this one seems pretty realistic. So, every year 2 billion Peeps are produced and that's enough to circle the Earth two and a half times.

Suzy Davidkhanian:

Wow.

Paul Verna:

So, there you have it, peeps.

Suzy Davidkhanian:

I don't even like those.

Marcus Johnson:

I've never had one before.

Suzy Davidkhanian:

I like that ending.

Marcus Johnson:

I got one for you real quick. Where do the happiest people in the world live? Excuse me.

Suzy Davidkhanian:

Canada.

Paul Verna:

Finland.

Marcus Johnson:

It is Finland. Finland has been crowned the world's happiest country for the seventh successive year in the newly released World Happiness Report 2024, compiled using data from over 140 countries. The report was published annually by Gallup, the UN, and the University of Oxford. Rankings are also, they're based on a three-year average of the data compiled. How do you measure happiness? You're probably asking. The rankings are largely based on self-rated life evaluations, but then interdisciplinary experts from the fields of economics, psychology, and sociology, and then called into crunch the data and make evaluations based on six key variables: GDP per capita, healthy life, life expectancy, social support, freedom to make life choices, generosity, and freedom from corruption.

Finland was first, again, Denmark second, Iceland third, Sweden fourth, Norway seventh, so all five of the Nordic countries making the top seven. Canada was 15. The UK 20th, the US fell

out of the top 20 for the first time since the report began, falling to 23rd. It was said it was driven largely by a significant drop in the well-being of Americans under 30, the report's authors noted. For poor, Argentina was 48th. You would've thought a World Cup win would've bumped them up a little bit more, and that's the happiest people in the world.

Suzy Davidkhanian:

I'm sad about the US.

Marcus Johnson:

I know, didn't fall too far.

Suzy Davidkhanian:

No, but the under 30-year-olds, that's the next generation, that's sad.

Marcus Johnson:

Troubling trends. What's going on in Finland, though? I say this every episode pretty much. I need to move there.

Suzy Davidkhanian:

I think they only work four days a week, right? Isn't that one of the countries that was trialing and it moved into from pilot to... No?

Blake Droesch:

Didn't all those countries discover a lot of oil 20 years ago and they're all just super rich, so the social programs are really good? I think that's-

Marcus Johnson:

I'll investigate.

Blake Droesch:

I know money can't buy happiness, but a lot of oil on your land probably helps.

Marcus Johnson:

It doesn't hurt. That's what we've got time for this episode. Thank you so much to my guests.  
Thank you to Paul.

Paul Verna:

My pleasure.

Marcus Johnson:

Thank you to Suzy.

Suzy Davidkhanian:

Thanks for having me.

Marcus Johnson:

Thank you to Blake.

Blake Droesch:

Always a pleasure.

Marcus Johnson:

And thank you to everyone for listening in. Thank you to Victoria who edits the show, James, who copy edits it, Stu who runs the team, and Sophie who does our social media, and Lance who runs our video podcast. You can find us on Instagram if you want. We're over there hanging out. Look for your eMarketer. We'll pop up. We hope to see you on Monday for the Behind the Numbers Daily, an eMarketer podcast made possible by Nielsen. Happy Easter weekend.