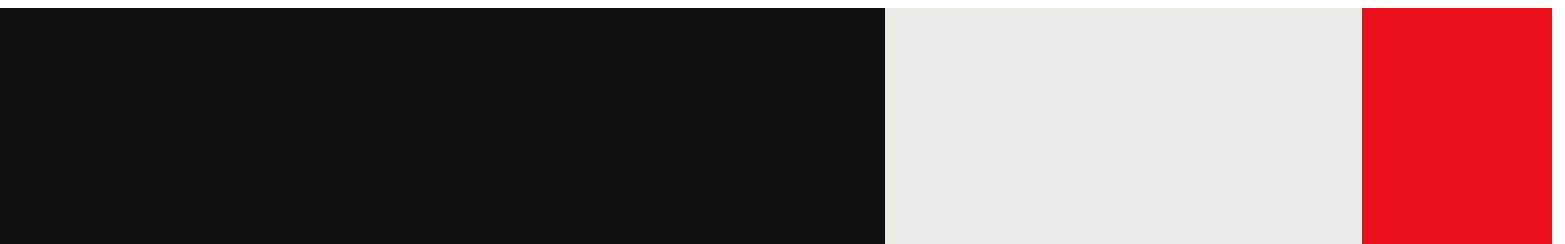


The Daily: The Great BtN Take Off—2024 mobile trends, shoppable media, mobile ad dollar shifts, and foldable phones

Audio



On today's podcast episode, our contestants compete in The Great Behind the Numbers Take Off, 2024 mobile trends edition, where they will try and cook up the most interesting predictions for the coming year. They'll discuss how shoppable media will evolve on mobile devices, where mobile ad dollars are moving to, and why foldable phones are here to stay. Tune in to the discussion with our analysts Peter Newman, Andrew Spink, and Yory Wurmser.

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Episode Transcript:

Peter Newman:

There's likely going to be a pullback to put more dollars where measurement is still good, where measurement is established within the app ecosystems rather than trying to navigate

what is now essentially an unknown environment with the mobile browser.

Marcus Johnson:

Hey, gang. It's Tuesday, January 9th. Peter, Yory, Drew, and listeners, welcome to the Behind the Numbers Daily, an eMarketer podcast. I'm Marcus. Today, I'm joined by three people. Let's meet them. We start with our principal analyst who heads up art, technology, advertising, and media desk. Based in New Jersey, it's of course Yory Wurmser.

Yory Wurmser:

Hey, Marcus. How are you?

Marcus Johnson:

Hey, fella. Very good. How are we doing?

Yory Wurmser:

I'm doing well.

Marcus Johnson:

Very nice. We're also joined by two folks in the forecasting team. One of them is our director of forecasting. Based in New York, it's of course Peter Newman.

Peter Newman:

Hey, Marcus. Great to see you. I haven't seen you since a whole year ago.

Marcus Johnson:

Hey, chap. Indeed, indeed. Good to see you, fella. Happy New Year. We're also joined by Andrew Spink, who is one of our forecasting analysts also based in New York. Drew, good to see you, mate.

Andrew Spink:

Hey, Marcus. Glad to be back as well.

Marcus Johnson:

Hello, hello. So today's fact, the longest walk in the world. Can you guys think of where you would have to walk, where you would start and where you would end, if it was the longest walk without a car or a boat in the world? How far do you think one person could walk?

Andrew Spink:

Probably Eastern Russia all the way to Western Europe.

Peter Newman:

Or South Africa, even.

Marcus Johnson:

Close, Drew. Oh.

Peter Newman:

[inaudible 00:01:35] all the way from Kamchatka down to Johannesburg.

Andrew Spink:

Very true.

Marcus Johnson:

Teamwork. Gents, you nailed it. So yeah, if you've completely lost your mind, it's technically possible to walk from Magadan in the far east of Russia to Cape Town in South Africa, right at the bottom of the continent. Yeah, without needing any transport. You'd probably want some, to be perfectly honest, but you could do it. That's 14,000 miles, or 22,000 kilometers for our non-US friends. For context, that's like walking from one side of America to the other five times or from one side of Europe-

Peter Newman:

Well, that's how you meet your step goals.

Andrew Spink:

I was going to say someone should put that on [inaudible 00:02:13].

Marcus Johnson:

... from from Portugal-

Andrew Spink:

Start a new challenge.

Speaker X:

[inaudible 00:02:18].

Marcus Johnson:

From Portugal to the other side of Ukraine five times as well. That sounds horrible. I walked three miles yesterday and my knee basically collapsed in on itself. It was terribly embarrassing. 14,000 is too much. Anyway, today's real topic, The Great Behind the Numbers Take Off Mobile Trends 2024.

In today's episode, first in the lead we'll cover mobile trends for 2024. No In Other News. Let's get to it. So ladies and gentlemen, this is The Great Behind the Numbers Take Off Mobile Trends 2024. In today's episode... It's a play on The Great British Bake Off, which to be perfectly honest with you, Peter also just realized we were doing. So if you had no idea what we were going for, you're not alone. In today's episode, our takers, or bakers, will be cooking up some mobile-specific expectations for the coming new year. Three rounds, Signature Take, the How It Will Technically Play Out Challenge, and the Show-Stopping Argument. So let's meet the contestants' predictions. Yory, what do you have for us?

Yory Wurmser:

I'm predicting that foldable phones will finally break through in the US.

Marcus Johnson:

Okay. And Peter, what are you cooking up?

Peter Newman:

I'm going to talk about mobile app ad spending and how it's eating even more out of the mobile browsers.

Marcus Johnson:

Eating even more, did you say?

Peter Newman:

Yes.

Marcus Johnson:

We love a pun. You're ahead of the pack. Drew, what will you be making for us today?

Andrew Spink:

My take is that mobile shopping media will be everywhere, and consumers are going to love it.

Marcus Johnson:

Okay. Very nice, gents. Let's get, of course, to round one. It's Signature Take. So our chefs will have one minute to explain the premise of their trend. We circle back to Yory. He's talking about the rise of foldable phones. Yory, why?

Yory Wurmser:

So foldable phones have been around for a few years. They've actually taken off quite a bit in South Korea and increasingly in China, but they're just a ripple in the US. I don't have the exact number, but very low single digits in terms of the amount of units sold in the US. I think some advances, more competition, better devices, and some new media are going to make them a lot more attractive this year, so I expect to see them to take off.

Marcus Johnson:

Looking forward to tuck into that a bit more because we have heard about them. It's interesting to say that this is going to be the year where they really break through, so to speak, or make some more noise. And you're right, low single digits in terms of millions in the US because total... There's some predictions out there from different people, but Counterpoint Technology, which you cite in your report on mobile trends, less than 20 million worldwide. So interesting to talk to you in a bit about why you think they're going to break through in 2024. Let's move to Peter.

Peter Newman:

Yeah, so what I was thinking about is the mobile ad spending market. Mobile ad spending is still growing. It's still booming, and we're expecting to see 14.4% growth in overall mobile ad spend this year. But the browser is just receding as a share of that because of a broad range

of factors, because of companies moving more and more of their services away from the browser so that they are able to better use the data they have available in apps. We're also going to see the deprecation of cookies this year by Google, which is going to have a big impact on desktop, but really on the mobile browsing experience and the amount of revenue that companies are able to bring in from mobile web. It was already going down, the mobile browser share of mobile ad revenue. It's accelerating even more. It's the biggest drop we've seen in years, and it's only going to keep rolling downhill from here.

Marcus Johnson:

Where is mobile browser share at this point?

Peter Newman:

For this year, we estimate it will be 18.1% of all mobile ad revenue.

Marcus Johnson:

Okay. Interesting. All right, very good. Drew, your elevator pitch for shoppable media.

Andrew Spink:

Yeah, so there will be nearly a hundred million Americans that are expected to make purchases through shoppable media next year. It's clear that social commerce is an essential part of the digital landscape. Social media platforms like TikTok, Instagram, and Facebook are continuing to evolve in their virtual marketplaces, seamlessly integrating shopping into their user experiences. The shift in consumer behavior is not just a trend. It's a fundamental change in how we discover, engage, and purchase products, making shoppable media an integral part of the e-commerce ecosystem.

Marcus Johnson:

Mm-hmm. Very nice. All right, gents. Let's move to round two, the How Will It Technically Play Out Challenge, where our chefs will explain in more detail how they expect the trend to unfold. Oh. See what I've done, Yory?

Speaker X:

Sure.

Marcus Johnson:

Don't know my own powers. On foldable phones in the new year, let's start with Yory before the jokes get worse.

Yory Wurmser:

That was smooth there. I appreciate it.

Marcus Johnson:

Thanks, Yory. That makes one of you who thinks that, but I appreciate it. So Yory, round two. The rise of foldable phones. Give us a bit more detail as to why and how you see that playing out over the year. Any milestones that we're hitting that's going to kick this into second gear?

Yory Wurmser:

Yeah, so I think like many mobile trends, this one is really starting in Asia and it's being driven by innovations in Asia. So Samsung is the global leader in foldable phones. Has been for years. That lead is starting to shrink. I think it was 84% of global shipments in 2021.

Marcus Johnson:

Oh, wow.

Yory Wurmser:

It fell down to about somewhere in the 60s in 2023.

Marcus Johnson:

Wow.

Yory Wurmser:

Or at least first half. I haven't seen the latest numbers for 2023, but it's dropping because of a lot of competition coming from China. A lot of cheaper phones and really quite innovative phones from Honor and Xiaomi and Oppo, Tecno, some of these other Chinese makers building a market in China. Now, I don't think that's really going to lead to... They're not going to have big inroads in the US, but I think it is going to compel companies like Samsung and Apple to develop their own foldable phones.

So mentioned Counterpoint a few minutes ago. They predicted, I think, 18.6 million shipments of foldable phones in 2023. That'll almost double to 35.7 in 2024. These are Counterpoint's

numbers. So a big jump, and that's going to impact the US market, where you're going to see not only, I think, more attractive phones for consumers, but apps to take advantage of it with options for multiple open windows within the phones, better video made for these new sizes. So I think it's going to have a lot of impact on the US consumer.

Peter Newman:

Yory, do you think that the phones in the US that are going to take off, are they more the vertical flip style or the horizontal ones? Because I know that we're seeing in the US the Retro Razr was one that I've actually seen in the wild a little bit.

Yory Wurmser:

Yeah. I mean, I'm not sure. To me, the horizontal ones, I think, provide a bigger screen and a better form factor for video. So my guess is it's going to be that way, but... And I also want to make clear that I don't think they're going to be a huge percentage of the market. I just think it's going to finally going to become a significant portion of the market.

Marcus Johnson:

So there's different estimates out here. There are some estimates. TrendForce thinks that they're not going to make as big of a leap, but that's estimate from the summer. This one from Counterpoint does say they're going to double, which is significant because they've not been doubling every year. It took them from 2021 to 2023, so two years, for them to double. And then now, it's going to take just one year, 2023 to 2024, to double again. So you're starting to see that number accelerate in terms of worldwide shipments of premium foldable smartphones.

One thing they do struggle with, Yory, is battery life, right? A lot of them don't last a day, so they've got to try to figure that out. But if they do, there are some interesting use cases for foldable phones. How do you think a larger screen changes time spent or changes the behavior, our interactions with these devices?

Yory Wurmser:

First of all, I think it makes streaming longer video more feasible. I think it'll make some over-the-top channels have more of their viewing on phones. And second of all, I think there are options like what you have on tablets. Almost becoming pseudo tablets or very portable

tablets, where you have multiple windows. So possibly more just consumer use cases, but enterprise use cases as well.

Marcus Johnson:

Yeah. I was trying to think of reasons why I would need two apps open at the same time, and there are a couple. I mean, I have YouTube open whilst I need to message someone. And you can do that now, but a larger YouTube window means that I wouldn't need to close it down because it's in the way of my current real estate. I could use WhatsApp at the same time as watching that. You could have Google Shopping on one half of the screen and Amazon open on another to compare prices. Maybe you're pulling up stats at the same time as doing some kind of sports betting, using some kind of sports betting app perhaps. So there are some use cases there.

All right, let's move to Peter. So you're talking about accelerating movement of mobile ad dollars to apps versus the web versus browsers. Give us a bit more detail of how you see this playing out in 2024.

Peter Newman:

Looking at it from a broad picture, one thing our forecast data shows in terms of time spent is that the time spent with mobile browsers is continuing to decline. People, on average, were spending 23 minutes a day with a mobile browser in 2021. That fell to 20 minutes last year, and it will be only 18 minutes a day this year with the mobile browser. So time using the mobile browser is in and of itself just declining.

Marcus Johnson:

And why is that, do you think?

Peter Newman:

Because so many experiences are just better in app, and more and more services are making the browser experience even less feasible as an alternative. If someone wanted to potentially opt out of some tracking or just not want to have an app on their phone, the browser was a feasible alternative. But for some services, it's not particular any longer. For example, Twitter, or X I should say, the service formerly known as Twitter is very difficult to use on mobile browser these days, and they've almost completely removed the ability for people to browse

while not logged in. All of these are pushing people into apps, and we're seeing more app usage as a result and more dollars flow into it.

Andrew Spink:

I think there's one other factor to it, and that's the rise of retail media. So you're seeing, I think, more shopping and shopping browsing going into bigger apps, things like Amazon and Walmart, some of the Chinese apps like SHEIN and others, Temu. So I think that's also decreasing the amount of browser time for shopping.

Peter Newman:

Definitely, definitely. Although actually, Amazon is, in some ways, one countercurrent, too, because at least to buy certain digital media on mobile, you have to be using the browser rather than the app. You can't buy, for instance, a Kindle book on either Android or iOS through the app. You need to use the browser to do that. You can't do it through the Amazon app, at least. So that does push people more towards the browser, so that is one slight counterpoint.

The other thing I did want to bring up is just that cookie deprecation is going to be throwing a gigantic monkey wrench into measurement and attribution, and there's likely going to be a pullback to put more dollars where the measurement is still good, where measurement is established within the app ecosystems rather than trying to navigate what is now essentially an unknown environment with the mobile browser. And talking about cookies, I really should've included a pun there, but oh well.

Marcus Johnson:

Too late, Peter. It's too late. It's never too late. If you think of one later, throw it in.

Drew, you're up, my friend. Shoppable media, on social in particular, how does that unfold as the year plays out?

Andrew Spink:

Sure. So the trajectory of shoppable media is undeniably upwards, driven by the convergence of social media and e-commerce. The sheer scale of social media engagement, this year we'll see 232 million users in the US spending an average of 83 minutes per day, which provides an unparalleled platform for this type of shoppable content. The growth of social commerce is

expected to reach \$67 billion in 2024, which represents strong sentiment consumer behavior. The success stories of platforms like TikTok are expected to see a 49% growth in social buyers this year showcases the demand for the immersive interactive shopping experiences.

Social commerce platforms are continuing to integrate seamless shopping features such as shoppable tags, immediate purchase options, and personalized product recommendations. [inaudible 00:14:33] tools getting integrated into Facebook shops, Instagram product tags, Pinterest clothing, and TikTok shops, and that demonstrates commitment to simplifying the shopping process. TikTok has this feature called Fulfilled by TikTok, which their logistics are becoming more streamlined, making it easier for creators and sellers to engage in social commerce. So the technical play here of the year is to continue the harmonious blend of interaction and e-commerce functionality, creating that dynamic user-friendly shopping experience.

Marcus Johnson:

So do we expect... Because our definitions, a lot of the time... I know there's two. It's once a month. Some definitions, it's once a year, but say it's once a month. Do we see this behavior becoming habitual as opposed to, "Okay, there are a lot of people who are buying stuff. And by that, we mean people who fall under the definition of buying something once a month"? Do we see that ramping up to "No. Actually, this is how a lot of people will buy most things"?

Andrew Spink:

That's what I think. I think-

Marcus Johnson:

How come?

Andrew Spink:

... we've started small mostly through the creator economy buying T-shirts and stuff like that. But as large retailers start to potentially use this more, you can sell just more goods through these social platforms that people are engaging with for nearly an hour and a half a day. It's a great place to grab people's attention. And there's more avenues on the horizon for shoppable media, but just social media alone is a very popular channel, so we should see continued growth here.

Peter Newman:

That's why we're also just seeing the... Just looking at it from the social commerce side, which shoppable media falls into in many cases, we're seeing continued growth. We're seeing 19% growth in sales per buyer. So it's not just that the number of buyers are going up or that sales are going up. It's that we're seeing [inaudible 00:16:17] for each buyer as well.

Marcus Johnson:

Okay, okay. That's a great point. All right. Very nice, gents. Let's move to round three, the Show-Stopping Argument, where our chefs will pull out their best closing arguments as to why their trend is most likely to happen. We go back to Yory and revisit the rise of foldable phones. Yory, in 20 seconds, what's your closing statement?

Yory Wurmser:

I think there are three things that are going to push it. One is just competition in Asia producing a lot of new phones. Two is a stagnant premium phone market, so there's a lot of incentive to push these new phones by the makers. And lastly, I think there's going to be a lot of interesting content and video and so forth that'll be just better on these phones.

Marcus Johnson:

Very nice. Peter.

Peter Newman:

More and more mobile ad dollars are going to continue to go to apps because the experience is better. The brands and advertisers and platforms are better able to measure and provide fully-baked solutions that really get them what they need rather than needing to listen to the crackling at the bottom of the bread pan.

Marcus Johnson:

Oh, nice.

Peter Newman:

So that's why mobile browser experiences are going to be-

Marcus Johnson:

Bread pan.

Peter Newman:

... dropping off just a little bit.

Marcus Johnson:

Bottom of the bread pan. I've see what you've done. Drew.

Andrew Spink:

I'm loving the puns, Peter. Yeah. Shoppable-

Marcus Johnson:

There might be too many on this episode, but...

Andrew Spink:

I wish I could come up with more. I didn't have one on this [inaudible 00:17:34]. But shoppable media isn't just a trend. It's a reflection of a new era where consumers seamlessly transition from content consumption to making purchases in a single integrated flow. As social commerce becomes a significant percentage of digital buyers, the show-stopping argument here is clear for the year. Social media time spent is up, spend on social commerce for buyers up, and total shoppable media buyers is up. Shoppable media isn't just a wave or a trend. It's the new tide of e-commerce and it's here to stay.

Marcus Johnson:

Mm-hmm. Very nice, gents. That brings us to the end of the show, where I crown a... What's it called, Yory? A chief bake? I haven't watched The Great British Bake Off, okay? There, I said it.

Yory Wurmser:

Star taker.

Marcus Johnson:

I'm a bad Brit. The star taker. Star baker. So the star taker of this episode is Peter. Congratulations to Peter. Some great arguments, gents.

Oh. Yory, I've wanted foldable phones to be a thing for a while, and I do think the numbers here are undeniable from Counterpoint doubling and then nearly doubling again and starting to gain some real momentum. So I think there's some fascinating use cases in terms of how to multitask. So I want that to be a thing. I think it's going to start to get there this year, but not too much.

Drew, some great arguments as well. But for me, yeah, I think that Peter's one on ad spend in particular, because there's a few other milestones. A milestone for total US mobile ad spend was going to cross the 200 billion mark, but it also crosses the 50% mark in terms of all ad dollars total. Not just digital, all ad dollars in the US, 51% this year, 2024. And it would be two-thirds, 66%, of digital ad dollars as well. So I think that trend of movement from mobile ad dollars to apps instead of browsers is the winner for today.

But some great arguments, gents. Well played. For more mobile trends for this year, you can read Yory's full report called *Mobile Trends to Watch in 2024: GenAI, Foldables, and App Innovations Will Boost Advertising and Commerce Growth*. Link is, of course, in the show notes or insiderintelligence.com.

That's all we've got time for. Thank you so much to our bakers takers today. Thank you to Yory.

Yory Wurmser:

Glad to be here as always.

Marcus Johnson:

Thank you to Drew.

Andrew Spink:

Thanks, Marcus. I'll try and put some more puns in next time.

Marcus Johnson:

Please, for the love of God, Drew, step your game up. And thank you to Peter.

Peter Newman:

Thanks, Marcus. It's a pleasure. And I'm magnanimous in victory.

Marcus Johnson:

Congratulations to you. Thank you to Victoria who edits the show; James, Stuart, and Sophie who help make the podcast possible; and thanks to everyone for listening in to the Behind the Numbers Daily, an eMarketer podcast. We hope to see you tomorrow, where you can hang out with Sara Lebow on the Reimagining Retail Show, where she'll be hanging out with Zak Stambor and Jeremy Goldman and taking a look at how the 2023 holiday shopping season actually played out.