The Weekly Listen: What social networks keep getting wrong, making Amazon fun, and how AI may change entrepreneurship

Audio
On today's podcast episode, we discuss what social networks can't stop getting wrong, whether Amazon can make its app fun, if enough people care about voice assistants, whether Uber's "Return a Package" feature will take off, how AI may change entrepreneurship, which music format has made the most money for the music industry in the past 50 years, and more. Tune in to the discussion with our vice president of content Suzy Davidkhanian, vice president of Briefings Stephanie Taglianetti, 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 E-marketer podcast made possible by Intuit MailChimp. This is the Friday show that... Got a haircut just for this podcast.

Suzy Davidkhanian:

Who did?

Marcus Johnson:

It was actually a complete coincidence. Yeah, I know. Thanks for noticing.

Suzy Davidkhanian:

It was you?

Marcus Johnson:

Yes. We had a meeting earlier as well. Didn't say anything then either.

Suzy Davidkhanian:

It's because I didn't notice it.

Marcus Johnson:

Fantastic. Feel appreciated. I'm your often ignored host, Marcus Johnson in today's show. What social networks keep getting wrong?

Suzy Davidkhanian:

Social media companies hold the power to make the internet better essentially, is what they were saying. But I also feel the expectations we have almost set these companies up for failure in many ways.
Marcus Johnson:

Can Amazon make its app fun?

Suzy Davidkhanian:

It is hard to shake a brand reputation, which is they’re not a fun place to go discover, they’re a place to go transact and move on with your life. So there's that.

Marcus Johnson:

Do enough people care about Voice?

Max Willens:

But if more of them are asking questions like, "How far away is the nearest drugstore?" Or "Can I use this to do that?" Potentially, there's some traction for a new wave of advertising on Voice.

Marcus Johnson:

Is the best way to return items Uber? How may AI change entrepreneurship? And which music format has made the most money in the last 50 years? Joining me for this episode, we have three people. Let's meet them. We start with our vice president of content based in New York. We call her Suzy Davidkhanian.

Suzy Davidkhanian:

Hi, thanks for having me.

Marcus Johnson:

Hello. We're also joined by our vice president of everything briefings, based in New Jersey. It's Stephanie Taglianetti.

Stephanie Taglianetti:

Cheers mate. I actually got a compliment on my hair today.

Marcus Johnson:

Oh, good.
Stephanie Taglianetti:
Unlike some of us other folks in the room.

Marcus Johnson:
I'm happy for you.

Stephanie Taglianetti:
Thank you.

Marcus Johnson:
Really happy for you.

Stephanie Taglianetti:
Thank you.

Suzy Davidkhanian:
Wait, where are you talking about my hair?

Stephanie Taglianetti:
No, mine. Oh, you got one too?

Suzy Davidkhanian:
No, but-

Stephanie Taglianetti:
Just Marcus didn't?

Marcus Johnson:
All right, perfect.

Suzy Davidkhanian:
No, but I'm ready for one.

Marcus Johnson:
Max, if you say you've got a haircut, I'm going to be bloody furious. We're also joined by Max Willings. He is one of our senior analysts on our digital advertising and media desk based in Philadelphia. Thanks for being here fella. Unless you've got a haircut, in which case, you are about as welcome as the other two folks.

Max Willens:

Does it look like I got a haircut?

Marcus Johnson:

You look fantastic.

Max Willens:

Does this look cut to you? This is, no.

Suzy Davidkhanian:

It looks like it was, at one point, cut.

Marcus Johnson:

If it had-

Max Willens:

At one point.

Marcus Johnson:

I would've noticed, unlike Stephanie.

Max Willens:

Send me your silly barber recommendations, everybody.

Stephanie Taglianetti:

Don't go to Marcus's hairdresser because no one will notice.

Marcus Johnson:

Okay, thank you.
Suzy Davidkhanian:

But maybe that's the beauty.

Marcus Johnson:

No, it's not. It would've been nice to be appreciated. Now that my self-esteem is down the drain, what should we talk about? Social networks, what do they keep getting wrong? That's our story of the week. You guys are the worst. We then move to the game of the week because Suzy made me. She said, "I don't want to be on if it's a debate." So that's why we have the game because Suzy insisted.

Suzy Davidkhanian:

Thank you.

Marcus Johnson:

We're talking about a bunch of topics and our panel will try to give us the best takeaways they can to win the championship belt. We finally move to dinner party data. We'll talk about some random trivia.

Suzy Davidkhanian:

Cool.

Marcus Johnson:

We start of course with the story of the week. What do social networks keep getting wrong and how does the social network fail? Taylor Lorenz of the Atlantic thinks Elon Musk and Linda Yaccarino of X, formerly Twitter, are making the same mistake that has tanked other social networks. She writes, "Celebrities and high profile figures have fled the platform X." That is Twitter. "Hate speech has risen. Mr. Musk's tweets have become erratic and hostile. He's threatened brands, briefly banned users for promoting links to use other social platforms and is engaged in a battle with the Anti-Defamation League. Mr. Musk continues to dismantle and alienate the precise communities that gave the platform its power." Then going on to say, "Misunderstanding this dynamic and his hostility towards his own user base shows why X will ultimately fail." Folks, what did you make of this piece? This idea that this is a company, a social platform that is somewhat doomed if it continues in this direction?
Suzy Davidkhanian:

So I think I would take that up a layer in terms of I think they're all doomed in some way and they've all stepped away from their original intention of connecting people and they're just looking for ways to monetize, to be smarter. And so this one-to-one or one-to-many communication has shifted gears. And so I think they're all going to have issues. Just the Twitter/X is pronounced because it's in the media. It has taken a turn for the worst because of the many different, very negative things that their new owner is trying to do. But at the end of the day, they're all struggling.

Max Willens:

Yeah. I feel like as loath as I am to give Elon Musk any credit, especially since his ideas for how to run X seem to change every six weeks, I do think that this tilt in the direction of forcing people to pay for it is in the long run, if he chooses to stick with it and endure the near term pain that's going to cause, could actually help a little bit. To what Suzy was saying earlier, the notion that Twitter is a town square or Facebook as the student union, those days are completely over and what's left is this commons that is defined mostly by perverse incentives and the only way to get to the other side is to tear down what exists already. And the only way to make these into spaces where you want to interact a little more is you have to make sure that people have some skin in the game. And forcing people to pay for something feels like the easiest way to get there, short of forcing people to use their real names the way that LinkedIn does for example.

So I think that, on some level, that there's a lot of potential there but it's going to be painful, especially because of the advertiser exodus that Twitter seems to be dealing with. There was some data that our sister company Insider got from Ubiquity earlier this week, which implied that 90% of the US' largest advertisers have stopped spending on Twitter. And that seems like a big problem, especially because they don't really have the long tail advertiser base that a meta has, for example.

Suzy Davidkhanian:

See, I would like to respectfully disagree. I don't think that you can build it and they'll come. It's like in retail, if you think about the marketing folks get the consumer into the channel, whatever that channel is, but if we don't have the right product as a retailer, people aren't going to buy from you. So you need to have the right product at the right price and the right
channel for it to work and you just can't force people into this made up community or for me, retail space to want to participate with you. Yes, if they pay for it, they will definitely feel more obliged to use it but I pay for my gym membership and it's expensive and I really don't go enough. It's like I'm subsidizing them. So I also don't know if paying $14 a month is going to change the way people are interacting.

It's just not a nice... And I don't mean user experience from all the ads and you don't get to see who you want to see, it feels very forced. It feels like there's so much bad information. It feels like it's memes after random posts and it's just not what it used to be.

Marcus Johnson:

Really quickly, just to clarify, Max, you're also talking about the suggestion of the $1 a year for the ability to post or are you talking about the Twitter Blue?

Max Willens:

I'm talking about the pay to post.

Marcus Johnson:

The pay to post. Okay. Yeah.

Suzy Davidkhanian:

Oh, sorry.

Marcus Johnson:

Recently... No. I mean there's a lot going on for us keep up-

Suzy Davidkhanian:

But that too because if it's paid to post, it's like there'll be even more lurkers. There'll be even more passive people. If I have to pay to post, am I really going to bother? I don't know.

Marcus Johnson:

Yeah. $1 for the year to be able to post, is what Mr. Musk's suggesting. If you don't pay to post, then you can still passively consume, you can still read things. The one thing with that that's interesting, which I mentioned on the show the other day, is that pure research had found that about 10% of its users account for about 80% of its content. And so very few
people post and of those 10% of people, they post about 120 plus times a month versus the majority of people, the other 90% of folks who mainly read and are responsible for just 20% of the content, that 90% they only post twice a month. And so, I don't think a ton of people are going to care too much about paying that to post. So I don't know how much money it's really going to make for the company or how people are going to react to it. But that is the initiative that Max is talking about. Stephanie, what do you think of this?

Stephanie Tagliantini:

Well, I think Suzy was talking about sort of the perfect social environment and I think the two articles you shared were quite lofty about how social media companies hold the power to make the internet better, essentially, is what they were saying. But I don't know. I also feel like the expectations we have almost set these companies up for failure in many ways because we're basically-

Marcus Johnson:

How so?

Stephanie Tagliantini:

Saying, provide a nearly undetectable and organic advertising environment while not being too polarizing with the voices that appear on it. Be accurate but don't be too accurate that the loud voices get drowned out because there's people who sign in because they think that's entertaining. But still make it safe, still make it meet the needs and social habits that change very quickly and develop very quickly. And if you could just be present everywhere without making it feel like you're spying on me, that would be great.

Marcus Johnson:

It sounds easy. I don't know what you're saying. You're getting at.

Max Willens:

It's called being a media company, honestly.

Stephanie Tagliantini:

Yeah.

Marcus Johnson:
Yeah.

Max Willens:

I mean that's the thing that I think is so hilarious about all of this is that they're complaining. They're like, "It's so difficult to have to reign in and control what's going on in this environment" that is, "Oh, what's that environment for?" "Oh, to post ads? Yes, I see. Yes." And the ads want to be in a space that... They want it both ways.

Stephanie Taglianetti:

Yeah.

Max Willens:

And I think that that's another thing that needs to be grappled with here too. But yeah, it's great to be talking about it because it does feel like we're right at the very beginning of everybody having a global reckoning with what to do about the structural challenges that social media has and it's going to be fascinating to see how people answer the questions.

Suzy Davidkhanian:

But I would add to that also, the second article was talking about roles and responsibilities when you're in a community, and it feels like X is trying to have a more heavy-handed role and people are upset about it. And so then you start to ask yourself, what do roles and responsibilities look like when you're in a free, not in terms of money, but free community where you can say what you want to say and share the information you want, the pictures you want. Where on the backend they're saying "No, you actually can't" and there are too many bad things happening for you to do that.

Marcus Johnson:

Yeah. They're great points folks. Something's got to change because we think that today, users of X, Twitter in the US, there are 3 million less than there were last year. So they've lost 3 million users from last year to this year. The American's using X at least once a month, and that next year X will lose a further 5 million bringing the total to 52 and it doesn't look very promising into the future at 2025 and beyond. So they're going to do something different. I mean, Stephanie was talking about how hard a lot of this is and Max saying with us, a media company, Deb Roy, who's a professor of media arts and sciences at MIT who wrote one of the
articles in the Atlantic which we were reading for this, may have the answer, apparently.
Saying, "Today's social platforms are designed for spectacle and entertainment but it's not too late to build a platform that improves society."

Saying that him and his colleagues thought deeply about how to make the internet better, more productive. And they've come to learn as new social networks that can be designed for constructive communication, for listening, dialogue, deliberation, and mediation and they can actually work. So him and his colleagues think they've got a solution to this. We'll cover that story next week's story of the week, but that's what we've got time for today. We move of course to the game of the week. Today's game, what's the bloody point?

Roy, read out four stories and have contestants, Suzy, Stephanie and Max tell us what they think is the main takeaway of the story. Okay, answers get one point, good answers get two and answers that give you the same feeling... I think I've nailed it this week. I think I've got one way. Answers that give you the same feeling as when they close the door to the plane and the rest of the row is empty seats.

Suzy Davidkhanian:

That is a

Marcus Johnson:

Yes?

Suzy Davidkhanian:

Good one. Yes.

Marcus Johnson:

Yes. I win the game.

Suzy Davidkhanian:

Nailed it.

Stephanie Taglianetti:

Finally.

Marcus Johnson:
Okay. Didn't need that. Let's edit that out. Thank you. Please, Victoria. Answers that leave you with that feeling, they get you three points. Each person gets 20 seconds to answer before they hear this. If you run long, shame on you.

Stephanie Taglianetti:
You said 20?

Marcus Johnson:
20 seconds. Did I say minutes?

Stephanie Taglianetti:
I thought-

Suzy Davidkhanian:
No, I thought you said 30 seconds.

Stephanie Taglianetti:
It's been 30 before.

Marcus Johnson:
No, it's been 20 the entire time.

Stephanie Taglianetti:
No, it hasn't.

Marcus Johnson:
Yeah, it has. I literally, I read-

Stephanie Taglianetti:
And just-

Marcus Johnson:
That line. Just read it out.

Stephanie Taglianetti:
Your metaphors are always real good for what people like, that's also a fact.

Suzy Davidkhanian:
I think I'm going to win.

Marcus Johnson:
Who am I Stephanie?

Suzy Davidkhanian:
I'm just saying.

Marcus Johnson:
Victoria, I said Stephanie is not to be on anymore. What happened? I invited her. That's what happens. 20 seconds to answer before you hear that. It's always been 20. I say 20 because you guys always run long and if you run long, shame on you and minus two points, two offenses will get you banished from the game.

Stephanie Taglianetti:
Okay.

Marcus Johnson:
Most points wins, guess the last word. Let's play. We start with... Who's on the scorecard, Suzy. For round one, can Amazon make its app fun? Asks our senior retail analyst, Zach Stambaugh. He writes that the online shopping giant is currently testing a feature on its mobile app called Consult a Friend, that aims to make shopping on its platform more collaborative and engaging. But Suzy, can Amazon make its app fun? What's the point?

Suzy Davidkhanian:
No, there's no point. I think Amazon can try.

Marcus Johnson:
Oh okay. Moving on..

Suzy Davidkhanian:
But I mean I'm trying to stick to the 20 seconds. I think Amazon can try-

Marcus Johnson:

We'll see.

Suzy Davidkhanian:

But it is hard to shake a brand reputation which is they're not a fun place to go discover. They're a place to go transact and move on with your life. So there's that. I think the idea of consult a friend could in theory work, however, all the stars have to align in a really massive way. Everybody has to have the app, everybody has to be on at the same time, ready to stop whatever they're doing to engage with their friend. It just doesn't seem to work. And then the idea around it being a good way to help with group gifts could have some legs of all the things that it talked about, that would probably be the easiest one. But at the same time, there are lots of great ways to already do that like WhatsApp. So why create a new platform? It's back to the network effect. If people aren't on it, it's not going to work.

Marcus Johnson:

Stephanie?

Stephanie Tagliantoni:

Yeah, I mean, I don't know if the feature that's being talked about is fun but I can see why it might be useful. Thing that always sways me most on a purchase is reviews and photos. I like to see, for example, a dress on a woman with a similar body to me before I buy it. But do we really need a social engagement aspect on Amazon? Do people actually want to spend more time there or do they want to use it like a utility tool? I personally don't want to spend more time on Amazon than I already am.

Marcus Johnson:

Max?

Max Willens:

I can share any products available inside of Amazon's app with anybody in iMessage or popular social apps in two finger taps. I don't see how they can make this faster. I don't think
anybody is going to want to spend more time in the app like both Stephanie and Suzy said, this is not going to work.

Marcus Johnson:

Very nice folks. Let's move to our second round. We start with Stephanie. We're talking about whether enough people care about Voice. According to our forecasting team, 145 million Americans will use a voice assistant this year. 90% of those folks on a smartphone but that's less than half of internet users. And in four years time, it will still be less than half of internet users. So Stephanie, do enough people care about voice? What's the point?

Stephanie Taglianetti:

Yeah, I think the forecast was also talking about how people aren't really using smart speakers for that, which I was unsurprised to hear. It's such a massive-

Suzy Davidkhanian:

What?

Stephanie Taglianetti:

It's such a massive behavior change to use a device for something like ordering groceries and healthcare. But yeah, do enough people use it? 145 million. I was trying to think of a good proxy and I was surprised to know that there are more voice assistant users than wearable users, for example. 89 million of those would've wrongly guessed if you asked me that in the multiple choice question. But yeah.

Marcus Johnson:

Max?

Max Willens:

So I think the biggest question around this is a question that comes up in Chris's story, which is about what the composition is of the people that we describe as inquirers, which are people that ask their assistance questions. Are 80% of those people asking questions, the ones we ask Yelp or Google? Or are they asking what the capital of Djibouti is? Because if it's the latter, then we're right to ignore this as a channel. But if more of them are asking questions like how
far away is the nearest drugstore or can I use this to do that? Potentially, there's some traction for a new wave of advertising on voice.

Marcus Johnson:

Suzy?

Suzy Davidkhanian:

So I think I would even take that one step further and delineate that there are smart speakers, there's the phone, there's the car. There are a lot of different devices that we're considering voice and they all have a different use case. So I use my Google Home every day. I am so sad when I'm traveling and she's not with me. I ask her what time it is every five seconds when I think I'm running late. The weather, I use her as a phone when my phone battery has died and I need to call my parents. She's an integral part of my life. Sometimes I ask her to tell me jokes. She plays music, podcasts.

Marcus Johnson:

Jesus.

Suzy Davidkhanian:

So I think that it is an amazing device, the speaker. I don't have a car so I can't speak to cars but I think it's... I thinking about it as an advertising tool. Probably not, it's a speaker. It's already getting advertising from podcasts. If you're thinking about it as a shopping mechanism, also probably not. What are you going to buy... Then you need again, that whole connected, it has to be the Amazon Alexa that's connected to your Amazon Prime account that you can just do a quick shopping thing. So not, like Max is saying, I think it just depends on what you're trying to accomplish.

Marcus Johnson:

It's interesting of all the things you speak to this device about, you've not once thought to ask them how to keep a tomato garden alive.

Suzy Davidkhanian:

I did not want to show you my tomato garden. That's why I am recording-

Marcus Johnson:
Please don't.

Suzy Davidkhanian:

From the office. There are new flowers blooming.

Stephanie Taglianetti:

I mean...

Suzy Davidkhanian:

It is-

Marcus Johnson:

My goodness.

Suzy Davidkhanian:

Coming on strong.

Marcus Johnson:

Is it?

Suzy Davidkhanian:

Yes.

Stephanie Taglianetti:

I've heard Suzy ask to turn the lights on for her Christmas tree many a time, actually.

Suzy Davidkhanian:

Yeah.

Marcus Johnson:

It didn't work.

Suzy Davidkhanian:

It didn't work.
Marcus Johnson:
Not even remotely.

Suzy Davidkhanian:
Yes, of course, it works. What are you talking about? I forgot. I use Google to turn my lights on.

Stephanie Taglianetti:
Sometimes does what it's told.

Marcus Johnson:
Try to turn lights on.

Stephanie Taglianetti:
Try to turn the lights on.

Suzy Davidkhanian:
I love her. I could not live without her, honestly.

Marcus Johnson:
Love?

Suzy Davidkhanian:
Love.

Marcus Johnson:
Okay. I think this is referred to as the Eliza Complex.

Stephanie Taglianetti:
Show. I think it's referred to as her starring Joaquin Phoenix.

Marcus Johnson:
Yeah, or that.
Suzy Davidkhanian:
I don't know.

Marcus Johnson:
Or that.

Suzy Davidkhanian:
I'm Canadian. I don't don't know what you're talking about.

Marcus Johnson:
Suzy, you might have an intervention after this record.

Suzy Davidkhanian:
I don't know what you're talking about.

Marcus Johnson:
Hang on.

Suzy Davidkhanian:
I have no idea.

Marcus Johnson:
Just stick around after the show, we'd appreciate it.

Suzy Davidkhanian:
You're going to love my dinner partying data. It's fell right in.

Marcus Johnson:
God, not looking forward to it. So two quick things from me I thought were great points in this piece from Chris Keating who is our research director. One is in four years time, gen Z will pass millennials as the generation with the highest uptake of voice assistance at 64%. And then the second thing was, which surprised me, you are more likely to hear, "Okay Google," than hear "Hey Siri or Alexa." I apologize if I've turned on everyone's voice assistance but it makes a good point. Google Assistant maintains its lead in terms of the most used voice
assistant with over 85 million US users this year. The others aren't that far behind, about five or 6 million. But yeah, interesting to see that Google is out in front in terms of its assistant.

All right, the halfway mark, Suzy, God knows how is out in front with five. Stephanie and Max tied are on four points or to play four. We move to round three. We start with Max. The best way to return items... Is it Uber? "Uber has recently introduced a package return service" writes Elisa Lupa of the Wall Street Journal. "For $5 or less, uber drivers will now ferry packages to the post office or a UPS or FedEx store in dozens of metro areas, including Chicago, LA, and parts of New York. Each parcel must be sealed and valued at less than a hundred dollars." But Max the best way to return items. Uber? What's the point?

Max Willens:

I just think that this is a strange sideshow for a company that has struggled with profitability, basically, for its entire existence. The article says that the price for these returns is going to be $5 and I just don't see how that juice is worth the squeeze for the drivers. I mean, you look at how expensive a ride is now and at the moment, Uber is barely profitable. Its core business is barely profitable and that's with rides that are twice or even three times that price. So this just seems like a very strange quixotic attempt to add incremental revenue even though it's not going to be profitable revenue. So I think this is very strange.

Marcus Johnson:

Suzy?

Suzy Davidkhanian:

So I think it's interesting because originally the question, the way you asked is, is Uber the best way to return items? And the answer like Max is saying, is no. There are lots and lots of different reverse logistic companies that are integrated into people's lives that makes more sense like Walmart plus. If you have a membership, you can come and they'll pick up your stuff on your way. If you live in a doorman building, the postal service is already coming to your door. You can go to the Whole Foods and drop off Amazon stuff. So there are a lot of ways to minimize the dollar value that retailers have when it comes to return. I think the question is, but Max clearly feels like this is not the right thing. Is Uber doing this as another way to become more sticky and more part of everybody's everyday life, like some of these other door dashes of the world? And in that case, could it potentially work because they're trying to help you be more efficient in your day-to-day life.
Marcus Johnson:
Yeah. The Walmart point's interesting. Rolling out at home return pickups for subscribers of Walmart Plus and the DoorDash example. Doing package return pickups back since January. Stephanie?

Stephanie Taglianetti:
Yeah. No, it's not the best.

Marcus Johnson:
Okay.

Stephanie Taglianetti:
It's going to cost you $5-

Marcus Johnson:
Let's move to next question-

Stephanie Taglianetti:
Pop, whether you're-

Marcus Johnson:
Oh okay, continue.

Stephanie Taglianetti:
You're returning one thing or five things. I was talking with Zach Samber, who covers retail on my team about this earlier today and he was saying in big cities where people don't have cars or just a family car, it could catch on, but the average person isn't thinking about the cost it takes them to get to a facility where you're already conducting a return. And then there's a ton of free options in stores like Kohl's and Happy Returns and Petco where there's just this virtuous circle of free return process while you're already in a store and then giving that store the foot traffic back. So no, it's not the best way.

Marcus Johnson:
Does anyone remember Uber Rush? Because they've tried this back in 2015. They tried to be a package courier back in 2015 where they offered a service called Rush. Drivers collected return items in select cities and made same day deliveries for retailers. Uber closed Rush three years later in 2018 because of stiff competition, which I don't... It sounds vaguely familiar, but then after reading this.

Stephanie Taglianetti:

Sounds a little familiar.

Marcus Johnson:

Yeah. The question for me is, "Okay, why now?"

Stephanie Taglianetti:

So I don't remember it at all, but I think it's probably the economies of scale are better today and everybody's doing it.

Marcus Johnson:

Right.

Stephanie Taglianetti:

And it probably is not because they're trying to make more money, but it's another way of being like, "Look, we're here to help you. Whether it's food, getting to the airport, picking up stuff from a different store that you think you want, not a food like a quick service restaurant or a regular restaurant." I think they're just trying to build out their assortment of products and services that they're offering.

Marcus Johnson:

Yeah. All right, well heading into double points round four, Suzy still out in front seven points Max and Stephanie just behind tied on six. We start with Suzy for round four. How AI may change entrepreneurship. But Ziegler of the Wall Street Journal writes that, "Coming up with an idea to create a marketing plan, AI adds a whole new element to starting a business." He walks through how an entrepreneur could use AI. So a couple of ways going from inception all the way through to, here's the thing I'm trying to market it at you. So first of all, asking an AI system to identify the problem in the first place, the consumers might face with products or
services and then have suggesting solutions. Associate Professor Ethan Molik at U Penn's Wharton School was saying this could be something people are using AI for.

After that, after you've identified the problem, entrepreneurs could see what has been reported about a business concept across the web, social media and in consumer surveys to see what types of startups have failed or thrived. Then you can ask the AI to pretend to be a practitioner or a potential customer in said industry to ask it questions about what constraints it faces and whether the proposed idea would help. And then two final points. One is it could then act as a venture capitalist to offer constructive criticism before you got in front of the real thing. And then finally, you could have the AI create a credible marketing plan, identify a target audience and create sample emails for potential buyers. So Suzy, how AI may change entrepreneurship, what's the point?

Suzy Davidkhanian:

So I think AI as it stands, machine learning and AI, recognizing patterns is not new. So it's obviously not going to change entrepreneurship today. It's that generative AI component that may or may not help. And I feel like what the examples that the professor was talking about are much more about that learn, adapt, keep going, keep pushing. So that's the gen AI part, not the AI part, which can potentially help because it's almost like you have free labor but the problem is that it works on the foundation of the data it has access to. And right now that's missing.

Marcus Johnson:

Stephanie?

Stephanie Taglianetti:

Yeah, right. It's nice to think that AI can maybe someday potentially change entrepreneurship as it gets smarter. For example, by not giving me information about McDonald's when I'm asking it about Walmart. From my experience and my team's experience, they'll talk to you about how AI is very much, generative AI, specifically in the overly eager intern who still needs a lot of oversight phase of existence. So I think we need to get to the point where we can trust the information that it's spitting out before blowing up what it can potentially do.

Marcus Johnson:

Max?
Max Willens:
I actually, I've spent this entire episode being pretty grouchy and pretty pessimistic, but-

Marcus Johnson:
This episode? I'm kidding, of course.

Suzy Davidkhanian:
I didn't even think you were being grouchy.

Stephanie Taglianetti:
I didn't. I wouldn't want to see you when you're being grouchy.

Max Willens:
That's true.

Marcus Johnson:
You having a good day.

Max Willens:
That is definitely true. I actually really like this. I mean, I think that what we've learned so far, and both Suzy and Stephanie have alluded to this and everyone that's played gen AI at all knows this innately, which is that right now this is a tool for spinning up minimum viable products. For whipping up first drafts, for coming up with spaghetti to throw at a wall. And I think that as an idea for helping people figure out the viability of ideas fresh out of the gate, is actually really compelling and really interesting. Do I think that you should be able to sit down with chat GPT for 45 minutes and then call a venture capitalist and begin raising money? No. But do I think that this can help you get an idea out of your head and onto a piece of paper more quickly? Yes, and I think that's cool.

Stephanie Taglianetti:
That is a more optimistic way to think about it.

Marcus Johnson:
Yeah.
Suzy Davidkhanian:
Well, I like the focus group idea, right?

Marcus Johnson:
Yeah.

Suzy Davidkhanian:
Focus groups are hard to do. So the idea that you can ask chat GPT and get feedback, the part that I'm a little bit more sad about is that the data is only as good as the data that's already there.

Stephanie Taglianetti:
Right.

Suzy Davidkhanian:
And so once there is more data, then I think you might be able to take 45 minutes and get a really solid focus group going. Today, I think it's a little bit harder.

Marcus Johnson:
Yeah. Great points folks. Great points. That's the end of the game of the week. We check the scores. This is where we insert a drum roll.

Suzy Davidkhanian:
This is where my heart starts beating super fast.

Marcus Johnson:
Suzy.

Suzy Davidkhanian:
Oh.

Stephanie Taglianetti:
No.
Marcus Johnson:
Is this week's the game of the week. 11 points to Suzy-
Stephanie Taglianetti:
Don't believe you.
Marcus Johnson:
10 and 10 each for Max and Stephanie. Suzy's this week's winner.
Suzy Davidkhanian:
No way. This never happens.
Marcus Johnson:
Okay, so Suzy did tell me before the recording when she won, she was going to act surprised. So that's what's happening here.
Stephanie Taglianetti:
I knew it.
Suzy Davidkhanian:
Oh my God, I didn't realize I was going to win.
Stephanie Taglianetti:
No, me.
Marcus Johnson:
She was like, huh? Congratulations, you get the championship belt and the last word.
Stephanie Taglianetti:
Had a meeting this morning.
Suzy Davidkhanian:
No, I don't have a last word. I didn't think I was going to win.
Stephanie Taglianetti:
Oh, okay. This is seriously what everyone says though.

Marcus Johnson:
Yeah.

Suzy Davidkhanian:
Okay, then you know what? I'm going to tell you something-

Marcus Johnson:
Waste of everyone's time.

Suzy Davidkhanian:
I tried a TikTok recipe that was on my Instagram feed. So it wasn't even on TikTok.

Marcus Johnson:
Okay.

Suzy Davidkhanian:
I did not follow the recipe 100%.

Marcus Johnson:
Perfect.

Suzy Davidkhanian:
It was bad.

Marcus Johnson:
What were you making?

Stephanie Taglianetti:
Is it because of the former statement?

Suzy Davidkhanian:
My PSA is, follow the recipes on TikTok.

Stephanie Taglianetti:

Yeah.

Suzy Davidkhanian:

They on purpose, only have four steps. So if you add a fifth step because you think it's going to help, it's not. Follow the recipe.

Marcus Johnson:

You added a fifth, what did you try and make?

Suzy Davidkhanian:

I tried to make that Boursin cheese in the oven with the lemon and the garlic.

Marcus Johnson:

And what did you do?

Suzy Davidkhanian:

A basil.

Marcus Johnson:

What step did-

Suzy Davidkhanian:

In the video, she doesn't squeeze the lemon, she just puts it in the Pyrex. And I squeezed the lemon because I thought I should squeeze the lemon. What else would it be there for? And it was so bad.

Marcus Johnson:

I love that it took just a short video for by the end of it, Suzy's like, "This phone doesn't know what they're talking about-"
Yeah.

Stephanie Taglianetti:
Yeah.

Marcus Johnson:
I'm going to add just a little squeeze at this.

Suzy Davidkhanian:
I mean-

Marcus Johnson:
Completely ruin the meal.

Suzy Davidkhanian:
Why cut and put a lemon into the dish if you're not going to squeeze it, I guess.

Stephanie Taglianetti:
Because otherwise, it will taste bad Suzy.

Suzy Davidkhanian:
Yeah.

Marcus Johnson:
Because it'll ruin the, yeah.

Suzy Davidkhanian:
Well now I know. Follow the video to the second. There's a reason why it's under two minutes.

Marcus Johnson:
Good advice. Congratulations to Suzy. She's this week's winner. Well played Stephanie and Max.

Suzy Davidkhanian:
Oh my God, thank you.

Marcus Johnson:

Very close. Stewart, please make sure she doesn't take the championship belt home.

Suzy Davidkhanian:

Of course I am. That's what happens when you go to the office.

Marcus Johnson:

Please do it for the love of God. Watch her. Okay, that's what we've got time for this segment. It's time now for dinner party data.

This is the part of the show-

Suzy Davidkhanian:

Yeah.

Marcus Johnson:

Where we tell you about the most interesting thing we've learned this week.

We start with Suzy because she's this week's winner and she's been bragging since she got invited onto this episode about how amazing her dinner party data is going to be. So I have-

Suzy Davidkhanian:

I'm so excited. High hopes.

Marcus Johnson:

Astronomical expectations, which I shouldn't because it won't be good.

Stephanie Taglianetti:

I'm just glad that Suzy is only bringing data to this dinner party and not a TikTok made recipe.

Suzy Davidkhanian:

It was so bad. I'm so sad about it too.

Marcus Johnson:
Kitchen caught fire. All right, what we do got?

Suzy Davidkhanian:

I'm so excited about this. So I have a friend who is a four-year old and every time I see him I'm like, "Do I get a hug?" So he knows that I'm the auntie that he hugs, he gives me hugs all the time now and he sees me. It's second nature. My friend sent me an Instagram article about hugs and the power of hugs. So, did you know that there was a national hug day? January 21st? It started in 1986 and is celebrated all over the world, especially in the US and the UK.

Marcus Johnson:

By who?

Suzy Davidkhanian:

Kevin-

Marcus Johnson:

Who have you ever come across who's like, "National Hug Day?"

Max Willens:

That boss that no one likes.

Suzy Davidkhanian:

Starting today.

Stephanie Taglianetti:

Well, no, starting in January.

Marcus Johnson:

You hear that Stuart.

Suzy Davidkhanian:

Yeah, but starting today, you're all going to know that January 21st is hug day and you should hug.

Stephanie Taglianetti:
Go to the office that day.

Suzy Davidkhanian:
Absolutely hug. I will.

Stephanie Taglianetti:
And Suzy will hug you.

Suzy Davidkhanian:
For sure will.

Marcus Johnson:
Okay.

Suzy Davidkhanian:
Kevin Zeborni invented the day because he wanted to spread kindness and love and the world is falling apart. So I thought that we should also all remember to hug your friends, hug your pets. Apparently it doesn't matter who's hugging you, but what matters is that it needs to be 10 seconds. That's the optimal time.

Marcus Johnson:
Ten, okay. No, that's to-

Suzy Davidkhanian:
Lower your blood pressure.

Marcus Johnson:
That's too long, no.

Suzy Davidkhanian:
Boost your immune system. And there were so many studies on this but I'm going to leave you with one thing, which is, do you know where the word comes from? Hug?

Stephanie Taglianetti:
Hug.

Suzy Davidkhanian:
Yeah.

Marcus Johnson:
No.

Suzy Davidkhanian:
It's from a northern Germanic Scandinavian word that means to comfort. And it first appeared in the 1500s, the mid 1500s. And the theory might be that they were hugging as a way to show friendship because you need both arms to hug which means you can't have a sword to stab someone.

Stephanie Taglianetti:
Aha.

Marcus Johnson:
This comes back to stabbing people. We had this with the shaking of the hands. That's why we shake hands.

Stephanie Taglianetti:
Yeah.

Max Willens:
That's why chopsticks exist.

Marcus Johnson:
Sword... In your hand.

Stephanie Taglianetti:
I would also say in addition to the ten second duration, also too long consent. Consent.

Suzy Davidkhanian:
Of course. That goes without saying.

Marcus Johnson:

Even with consent, 10 seconds is too-

Suzy Davidkhanian:

That goes without-

Marcus Johnson:

Uncomfortable amount of time.

Suzy Davidkhanian:

Saying.

Stephanie Tagliantetti:

Don't hug just any old person.

Suzy Davidkhanian:

No, first ask.

Marcus Johnson:

Everyone listening, you try and hug the next person that you are supposed to hug. Hug them for 10 seconds, see what happens.

Suzy Davidkhanian:

But I will tell you-

Marcus Johnson:

If they want to hang out with you again. Yeah?

Suzy Davidkhanian:

There was an article in the Oprah Daily online magazine and there is, we all know that there's an epidemic of loneliness and did you know-

Stephanie Tagliantetti:
Especially among seniors, yeah.

Suzy Davidkhanian:

That social disconnection is equal to smoking 15 cigarettes a day. So, get consent and hug a friend. Apparently you can also self hug. That also is legit.

Marcus Johnson:

Yeah.

Suzy Davidkhanian:

And you can hug a pet and-

Stephanie Taglianetti:

Yeah.

Suzy Davidkhanian:

It's not... The best ones-

Marcus Johnson:

I do love a good hug.

Suzy Davidkhanian:

Best ones are the 10 seconds.

Marcus Johnson:

I was with you until 10 seconds but I think you're right there. I definitely think the world could use some more hugs. All right, you were right. This was pretty good.

Stephanie Taglianetti:

Pretty good.

Marcus Johnson:

Yeah.

Suzy Davidkhanian:
Thank you.

Marcus Johnson:
Well played.

Suzy Davidkhanian:
I'm beaming.

Marcus Johnson:
Finally. Took about four years for you to say...

Suzy Davidkhanian:
Yeah, just four.

Marcus Johnson:
But we didn't have to cut out. But Max, you're up mate.

Max Willens:
So I was thinking a little bit about how earlier this month Birkenstock went public, did not do well in its IPO, which surprised me. But one of the things that really leapt out at me is the fact that it took Birkenstock over 200 years to go public, until when they sounded. And I got to thinking with a major assist from my colleague and manager, Paul Verna, about who else is on this list? Who else are this latent bloomers or late IPO'ers? And I'd found someone, Ben Zinga, who had gone and done this homework for me. So Birkenstock now becomes the oldest company to IPO for the first time at unseated... I guess I'll ask, anyone have any guesses what it unseated?

Suzy Davidkhanian:
As the oldest company to IPO?

Max Willens:
That's right.

Suzy Davidkhanian:
I've learned my lesson about taking random guess.

Stephanie Taglianetti:
I know, I don't want to take a random guess.

Suzy Davidkhanian:
Oh no, I know. I love taking the random Canadian brand ones because obviously, it's not true but then I put a plug for Canadian brand. Roots Canada.

Max Willens:
Nice. That is incorrect. Hermes is the answer.

Stephanie Taglianetti:
Oh, Hermes.

Max Willens:
They were around for 162 years before-

Suzy Davidkhanian:
Oh my gosh.

Max Willens:
They IPO'd in 1999.

Marcus Johnson:
Wow.

Max Willens:
Just ahead or I guess, behind them is Philip Morris International, Goldman Sachs and Berkshire Hathaway. Round that list out. Oh, and then Lynn, the chocolate makers.

Marcus Johnson:
Oh, Lyn-

Stephanie Taglianetti:
Oh Lindt.

Max Willens:
Wait, no.

Suzy Davidkhanian:
I love them.

Max Willens:
Just kidding, you're right. It's not lint, it's Linda which I should look up.

Stephanie Taglianetti:
Linda Chocolates?

Max Willens:
L-I-N... It's a chemical company, actually.

Stephanie Taglianetti:
Oh.

Max Willens:
One thing is great to eat, one thing is not.

Stephanie Taglianetti:
One thing, don't eat.

Marcus Johnson:
It should be avoid.

Max Willens:
No, they're a chemical company and they were in business for over 120 years before they IPO'd.

Marcus Johnson:
Wow. very nice.

Max Willens:

Yeah.

Marcus Johnson:

Very nice indeed. Stephanie, you're up.

Stephanie Taglianetti:

Okay. We got some spooky stats for-

Marcus Johnson:

Here we are.

Stephanie Taglianetti:

Halloween Victoria. Cue the spooky sound right here. Okay, cool. I thought there were... She'll do it. I thought there were some interesting stats in this list that I found, some classic ones around how much projected spending there will be in 2023 which is 12.2 billion and how much will be spent on candy? 3.6 billion. But more interesting ones was that $13 million is expected to be spent on direct property damage caused by Halloween house fires. 57% of Americans said that they would consider purchasing a haunted house to live in but-

Marcus Johnson:

How many?

Stephanie Taglianetti:

Only 1... 57%.

Marcus Johnson:

No.

Stephanie Taglianetti:

But only... Here, maybe this makes a difference. Only 18% would pay full market value for it.

Marcus Johnson:
Still no, unbelievable. 57% said haunted house. Why not?

Stephanie Taglianetti:
I would purchase it.

Marcus Johnson:
Just give that a try. They're not seeing paranormal activity. Absolutely not. That's insane. America.

Stephanie Taglianetti:
No one else would do that? No one else would do that here?

Suzy Davidkhanian:
A haunted house.

Stephanie Taglianetti:
A known haunted house.

Suzy Davidkhanian:
I would do it.

Marcus Johnson:
You would? Max?

Stephanie Taglianetti:
At a discounted rate.

Marcus Johnson:
Would you Max?

Max Willens:
Depends on the mortgage.

Stephanie Taglianetti:
I have have dreams of opening a scare Airbnb. And so I think that this would just make my reality happen.

Max Willens:

I mean we’re all talking about loneliness. You've gotten ghosts and...

Stephanie Taglianetti:

You got a built-in companion or-

Marcus Johnson:

Wait, so hang on a second.

Max Willens:

Yeah.

Stephanie Taglianetti:

Several.

Max Willens:

They’re never going to leave.

Stephanie Taglianetti:

No.

Max Willens:

And neither are you.

Marcus Johnson:

So me and Suzy say no. So Max and and Stephanie say... Victoria, can you break the tie for us? What do you think? If you say yes, then it will be 57%.

Victoria Grace:

For haunted houses?

Marcus Johnson:
Yeah.

Victoria Grace:
I'm a little bit biased because a ghost lives in my house.

Marcus Johnson:
Oh yeah.

Stephanie Taglianetti:
So then it's a yes.

Victoria Grace:
So it is a yes.

Marcus Johnson:
Right there. All right.

Victoria Grace:
But here's the thing, are we talking Poltergeist or are we talking like-

Marcus Johnson:
Let's-

Victoria Grace:
Casper the friendly ghost.

Marcus Johnson:
Yeah.

Stephanie Taglianetti:
Yeah. There's-

Marcus Johnson:
Good question.
Stephanie Taglianetti:
There was no scale of how haunted. From anywhere from a little bit haunted to very haunted, I would say.

Marcus Johnson:
Yeah, I'd live in something a little bit haunted. That's totally fine.

Suzy Davidkhanian:
But would you get a big discount on the house though? No, it's probably they think that's part of the charm. And so then I'm even more "No, thank you."

Marcus Johnson:
Yeah, I'm with you on that Suzy.

Stephanie Taglianetti:
I mean, if there's clearly enough buyers that would pay full price for it. So you probably don't have too strong of a leg to stand on there.

Suzy Davidkhanian:
I have no leg to stand on. I don't want it. You can have it.

Stephanie Taglianetti:
Who else doesn't have legs? The ghosts

Marcus Johnson:
Ah, well played.

Stephanie Taglianetti:
Who live in your home.

Marcus Johnson:
Well played. Casper, maybe, that's the list. All right folks, I've got one for you real quick. So in the last 50 years, which music format has made the most money when adjusted for inflation? So a terrific article in visual capitalist by Nicolo Conte and Bruno Vanditi explored the answer
and they found that according to data from the Recording Industry Association of America. Any guesses which music format?

Stephanie Taglianetti:

When You say format, you mean vinyl-

Marcus Johnson:

MP3-

Stephanie Taglianetti:

Cassette.

Marcus Johnson:

Exactly. Yep.

Stephanie Taglianetti:

Gosh.

Max Willens:

Since what year?

Stephanie Taglianetti:

Since what year?

Marcus Johnson:

The last 50 years. So 73.

Suzy Davidkhanian:

I think CDs.

Stephanie Taglianetti:

CD?

Max Willens:
Yeah, I think Suzy is right.

Stephanie Tagliantetti:
I'll say vinyl, just for posterity.

Marcus Johnson:
Okay. It is CD. You probably wanted to say CDs as well, I'm sure Stephanie as well. But it is CDs. Yeah. They've made nearly $370 billion for the music business. Vinyl and cassettes in an almost joint second have each made just one third of that number.

Stephanie Tagliantetti:
Wow.

Marcus Johnson:
Around 130 billion.

Suzy Davdkhanian:
I'm surprised about cassettes.

Marcus Johnson:
Paid streaming cassettes is in a distant fourth with half of that. So 60 billion for paid streaming in fourth. CDs, $370 billion.

Stephanie Tagliantetti:
Wowzer.

Marcus Johnson:
Yeah. CDs just dominating some really fascinating stats from here. So a couple for you. US recorded music revenues rose for the seventh year in a row, hitting 16 billion. Number two, digital music revenues comprise 90% of the US music industry's revenue today. Streaming services, Spotify, Amazon Music, Apple Music, things like that make up 84% of total industry revenues. The number of paid subscriptions to on-demand music services flew past 90 million. That's double what it was in 2018. And then two more for you. Vinyl is balling out. That's the
first time I've said that. I don't think it worked. Outsold CDs in terms of units for the first time since 87. Vinlys-

Stephanie Taglianetti:

Nice.

Marcus Johnson:

Outselling CDs. Vinyl sales also grew in 2022, thanks to millennials leading the charge. Why the article pointing to superior audio, quality of vinyl, it being a collector's item and the appeal of having a beautiful record player in your living room. Final one for you. In 2007, ringtones made $1 billion which at the time, accounted for 10% of that year's music revenues. Shout out to ringtones. They've made $7 billion overall in the last 50 years.

Suzy Davidkhanian:

Wow.

Marcus Johnson:

And in fact, anyone else isn't thinking about that crazy frog right now. I don't know why your head's at. That's what we've got time for, for this episode. Thank you so much to my guests for a fantastic one. Thank you to Max.

Max Willens:

Always a pleasure Marcus.

Marcus Johnson:

Thank you to Stephanie.

Stephanie Taglianetti:

Cheers mate.

Marcus Johnson:

And oh... Didn't need that. Thank you to Suzy, this week's winner of the game of the week.

Suzy Davidkhanian:
Oh my gosh. Thanks so much for having me and for letting me win everybody.

Marcus Johnson:
I did.

Suzy Davidkhanian:
I appreciate it.

Stephanie Taglianetti:
You earned that. He didn't let you.

Marcus Johnson:
Kind of. Thank you so much to Victoria who edits the show and adds spooky music. Thank you to James who copy, edits it and Steward who runs the team. Sophie also thank you to her for running our social media. Thanks to everyone for listening in. For more episodes, you can hit the subscribe follow button and also the bell icon to turn on notifications for new content when we have it. We'll see you guys on Monday, hopefully for the behind the numbers Daily as an E-marketer podcast made possible by Intuit, MailChimp Happy Weekends.

Suzy Davidkhanian:
Did you see the meme about the ghosts and the sheet ghost? Everybody talks about the sheet ghosts.

Stephanie Taglianetti:
What do they talk about? What do you mean?

Suzy Davidkhanian:
That whenever you see a ghost dressed up for Halloween, it's usually someone in a sheet with a big open eyes.

Stephanie Taglianetti:
Yeah.

Suzy Davidkhanian:
And that the meme was something like... Memes don't translate well in words. They're better images but it was like the image of that ghost. It said, "This is everybody who's tried to fold a fitted sheet. This is how they end up."

Marcus Johnson:
That is crazy.

Suzy Davidkhanian:
I was like, "Yes."

Marcus Johnson:
This is painfully true.

Suzy Davidkhanian:
That is good.