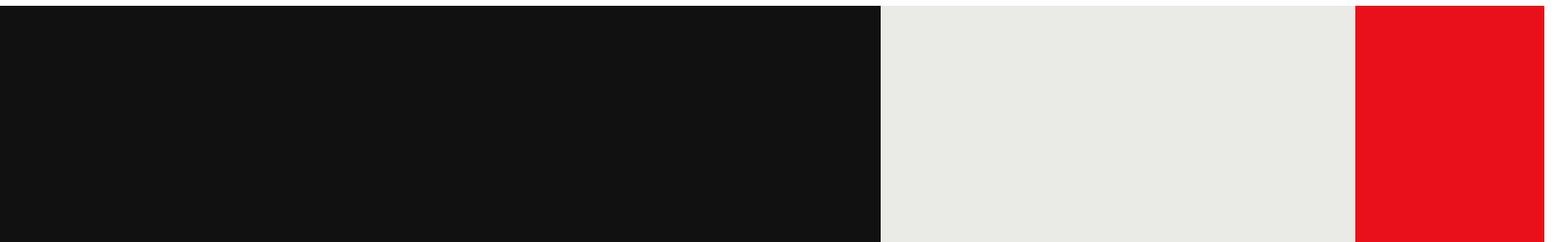


The Weekly Listen: Apple's new MR headset is here, shoppable TV using AI, and faster Amazon shipping

Audio



On today's episode, we discuss what to make of Apple's Vision Pro, the company's newly announced mixed reality (MR) goggles; how AI could improve shoppable TV; why retailers and customers aren't on the same page; how ads on the New York subway are changing; how Amazon plans to deliver packages to folks even faster; how long it actually takes to play a baseball game; and more. Tune in to the discussion with our vice president of content Suzy Davidkhanian and analysts Blake Droesch and Paul Verna.

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Episode Transcript:

Marcus Johnson:

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Hello, everyone, and thanks for hanging out with us for the Behind the Numbers Weekly Listen, an eMarketer podcast. This is the Friday show that wants to see Paul's face. I'm your host, Marcus Johnson. In today's show, Apple's new mixed reality headset is here.

Paul Verna:

The use cases may emerge, but I also think they're inversely proportional to how comfortable and how unobtrusive the device is. And we're still in a place where it feels like you're strapping on this big harness.

Marcus Johnson:

What shoppable TV will look like.

Blake Droesch:

I don't really understand if this is visual search and it's basically just going to help you find things that you see on TV, on the internet, or is there going to be some sort of shop associated with it?

Marcus Johnson:

Why retailers and customers aren't on the same page.

Suzy Davidkhanian:

It's a no-brainer. Consumers rank it as number one because they want to be rewarded for coming to you. And of course, number one for a retailer is, how do we make sure that we remove as much friction as possible so you keep coming to us?

Marcus Johnson:

Programmatic advertising comes to the New York subway, Amazon trying to get things to people even faster and does it take too long to play a baseball game? Spoiler, yes.

Joining me for this episode, we have three people. First of all, let's meet one of our senior analysts on the retail and e-commerce team. Based out of New York, it's Blake Droesch.

Blake Droesch:

Hey, Marcus. I'm happy to be here and confirm that this is not the video podcast, because I have piles of unfolded laundry right behind me.

Marcus Johnson:

Yeah, I didn't want to say anything. It's really quite embarrassing. Blake, put your life together. We're also joined by our VP of Content who heads up our retail and e-commerce desk. Based out of New York, it's Suzy Davidkhanian.

Suzy Davidkhanian:

Hi, everyone.

Marcus Johnson:

The infamous. We're also joined by one of our principal analysts who heads up our digital advertising and media practice. Based just above the city, it's Paul Verna.

Paul Verna:

It's great to be here. And can I just start with a quick question?

Marcus Johnson:

A joke? No.

Suzy Davidkhanian:

[inaudible 00:02:31].

Marcus Johnson:

We had enough bad jokes-

Paul Verna:

No, a question.

Marcus Johnson:

... before we hit record.

Paul Verna:

A question.

Marcus Johnson:

Okay, fine. All right, fine.

Paul Verna:

Knock knock.

Suzy Davidkhanian:

Who's there?

Marcus Johnson:

No, no.

Paul Verna:

Interrupting cow.

Suzy Davidkhanian:

Is that how it goes? Interrupting-

Paul Verna:

It is.

Suzy Davidkhanian:

... cow who?

Paul Verna:

Moo.

Marcus Johnson:

It's too late. You did it too late again.

Paul Verna:

I did, but Victoria can edit it so it happens a little before.

Suzy Davidkhanian:

And you're blushing. That's the best part.

Paul Verna:

It's a good thing this is not a video podcast.

Suzy Davidkhanian:

This was rehearsed too.

Paul Verna:

Yep.

Marcus Johnson:

So bad.

Paul Verna:

Even then, it fell completely flat like a cow pie.

Suzy Davidkhanian:

Sorry, I didn't realize how the knock knock jokes go.

Marcus Johnson:

We're off to a horrible start. Listeners, I'm so sorry.

Suzy Davidkhanian:

Clearly, Blake is going to win.

Marcus Johnson:

Yeah. [inaudible 00:03:12].

Paul Verna:

He already has.

Marcus Johnson:

What do we have in store for you? No more jokes, so don't worry. That's out the way, hopefully. We do have the story of the week for you. Apple's new mixed reality headset is here. This episode's gone off the rails. Then, we move to the game of the week, where our contestants, Suzy, Blake and Paul will try to compete for the championship belt. And then in the final segment, of course it's dinner party data. We talk about some random trivia, things we've just recently learned. But we start with the story of the week.

Apple's new mixed reality headset is here. Maybe it's augmented reality. We don't really know. What we do know is that Apple has unveiled a much anticipated, let's call it augmented reality headset that looks like ski goggles, and it's called Apple Vision Pro, in its first major hardware launch for almost a decade, Tom Gerken and James Clayton of the BBC were pointing out. The last new piece of hardware was the Apple Watch, believe it or not. It came out in 2015 somehow. They explain in the BBC article that the headset has a two-hour battery life. It costs three and a half thousand dollars, that's just under 3,000 Great British pounds, and will be released early next year in the US. The device is controlled using your hands, eyes and voice. So you can tap your fingers together to select things or flick them to scroll through things. There's no handheld controllers, and it uses retinal scanner instead of passwords. Folks, initial reactions to this much anticipated piece of hardware headgear from Apple.

Suzy Davidkhanian:

Who is going to wear goggle-like... They're literally like ski goggle glasses. Who's going to wear those?

Marcus Johnson:

At home?

Suzy Davidkhanian:

Yeah.

Marcus Johnson:

You wouldn't wear these at home?

Suzy Davidkhanian:

No.

Marcus Johnson:

Okay.

Suzy Davidkhanian:

Would you?

Marcus Johnson:

All right.

Suzy Davidkhanian:

It's a serious question.

Marcus Johnson:

Sorry, Apple. Suzy's out. I guess it depends, right? I mean it... It seems like they look and, from what people have said, they're much more comfortable than headsets we've had in the past. But it really, I guess, depends on, well, can you afford them, considering that these new... Well, they run three and a half thousand dollars for these, the Apple Pro Vision mixed reality headset. Now, the new mixed reality Meta Quest 3 that's coming out in the fall will run you 500 bucks, so it's seven times cheaper. The Meta Quest 2 VR headset is 300, so that's 12 times cheaper. And the Quest Pro, even, is three times cheaper than this. So if you can even afford them, I guess is there a killer application? Is there a reason to use one yet?

Blake Drosch:

Well, I think that the price point shows that Apple isn't really interested in mass adoption for this product. But then again, they also feel like the technology is to the point where they can put out a mixed reality headset with a certain degree of confidence that it's going to have a good user experience for the people that end up buying it.

Suzy Davidkhanian:

But I do think they have the advantage of a network. They have all of these developers and their ecosystem that they can then get all these fancy, cool things happening.

The use cases that they were talking about didn't seem super compelling for me. Maybe for younger folks, more compelling. The health-related ones seemed a little bit cooler, but then there's all this data sharing potential that is scary. So who knows what? I feel like there's this weird rabbit hole of data security that I'm not excited about when it comes to some of the cooler apps that I would think about using, but-

Marcus Johnson:

Well, but you're right. I mean, the point about them already having an existing A, install base. They have 2 billion people around the world who use iPhones and also hundreds of thousands of apps that already exist on iOS that will be available through the Vision OS. So there's already things that people can do on these devices, but-

Suzy Davidkhanian:

Right. And it's like you can FaceTime with your family using your goggles, right?

Marcus Johnson:

Right.

Suzy Davidkhanian:

And so that makes it so easy. It's so much easier than holding a phone in your hand, and it feels more real. And I imagine you'll be able to give hugs and it'll feel like you're actually giving a hug. So I think it's definitely... There are some interesting use cases. I'm an Android user, so I'm not part of the network. But I also just don't think it's for me.

Marcus Johnson:

Yeah. Paul, I mean... Haptic. Is it haptic sensors to make you feel like you're actually hugging someone? Could be interesting.

But Paul, I mean to you, is there a use case that makes sense? Because some of the things they were talking about... The announcement was A, you can project a massive movie screen into any environments, or you can capture 3D video as well. They also had Bob Iger up there, Disney CEO, saying Disney+ will be available on the device when it launches. There's also being able to interact with life-sized personal photos and videos that you can project into the room that you're in. There's the idea that you can project a screen similar to a desktop screen to replace the computer monitor, and you can sync up Bluetooth devices like keyboards and

things like that. Or, to what Suzy was saying, Paul, video calls. Using it as a powerful communication tool and having more of an immersive experience with friends and family. I mean, do any of those jump out to you, or are they missing something?

Paul Verna:

I think they could. It's interesting that Apple, when they introduced the iPad way back when, they specifically said that the use cases would emerge as people started using it, that there wasn't... They weren't pushing a single use case. And this could be something like that. And the ski goggle design, while it's definitely well short of something like a Snapchat Spectacles, which even though it failed was really streamlined, it was basically a set of shades, so the ski goggle design is better than a space suit.

What I wonder though is, and this does get to the question about the use case, do people really want these immersive experiences on a day-to-day basis, or is this something that will be used for just more specific applications, like surgery, or something where there's a really good reason to make the meeting immersive? But if we had to do all our day-to-day meetings in immersive mode, I don't know what value that would add. And I think the same is true. Like people, yes, there's certain movies they may want to watch in that mode, but there are going to be a lot of times when you're just not going to want to feel like putting on this big thing over your head. So I think the use cases may emerge, but I also think they're inversely proportional to how comfortable and how unobtrusive the device is. And we're still in a place where it feels like you're strapping on this big harness.

Blake Droesch:

Yeah, it's interesting. You bring up a good point, Paul, that this is the only time, really, that an Apple product, a big marquee Apple product, has gotten larger.

Paul Verna:

Yeah.

Blake Droesch:

Everything they've been working down over the years to the point where they're at the watch. And then all of a sudden, it's this big, arguably still chunky piece of technology even though it does look better than some of the other headsets that we've seen from other companies.

Suzy Davidkhanian:

Well, so this is what... I mean, it leads into what I was going to say, which is they're giving it six months' hype time so that all the reviews come in and people get excited. They're partnering with Disney, which obviously has a younger fan base that could potentially convince their parents to buy this for them as a gift or a gift for multiple occasions, throwing in the holidays with their birthdays and whatever else. And these younger customers are the ones that are on Roblox and are looking for immersive, fun, game activities. So if you start with that crowd, who is usually a bigger adopter, a faster adopter... And as you said, Paul, Apple is known for creating need where we didn't even know we needed it. So I think they're definitely in a better spot.

Paul Verna:

Yeah. And maybe Disney's way of trying to get more people to Disney World, because kids are going to ask their parents to buy them this Apple headset. They're like, "No way I'm spending three and a half grand on that. I'll just take you to Disney World instead."

Suzy Davidkhanian:

Oh, that's interesting.

Marcus Johnson:

So, I mean, you mentioned gaming, Suzy, and the gamers may be helping to lead this charge. Nearly 90% of VR content spending last year, 90%, basically all of it, was on games, according to Omdia. So that would make sense to start with that group.

Is there a market for this? I mean, perhaps. Our forecasting team says that there are over 90 million Americans, nine zero million Americans, who use AR, 70 million use VR and 36 million have a VR headset. IDC was saying the worldwide AR headset market is planned to grow to 6 million by 2027. Apple had reportedly wanted to push 3 million in year one. Now, analysts say 200,000 is more likely. But, I mean, this is the type of device where you could have one per household because you can argue, "Oh, well people are... They're going to just sit there and watch movies by themselves. Are they going to sit there and speak to the doctors or have video chats by themselves?" Yes. That's what people do on their phones already. They do a lot of activities individually. And so if you could buy one for the household the way that you used

to buy one phone for the household or one TV for the household and people would share it, I could see that being possible.

This is also different in the sense that The Economist had something, a 2021 survey. Three times as many people said they would buy a headset from Apple. Three times as many as second place, Google. And Meta came way behind in sixth. So it is just a different ballgame just because Apple is putting it out.

Blake Droesch:

Yeah. I mean, that's another thing, is just the Apple ecosystem. So many people have it. And if you can buy this thing that automatically downloads all of the apps and all of your iCloud information just onto another device, that's very seamless.

Suzy Davidkhanian:

Plus, I also think it's a weird comparison to Meta/Facebook because they're a social platform that's trying to get into devices, so that's already another leap. People have to believe that Facebook understands technology in a different way than it was originally intended, and that's hard. Whereas Apple, it's all about devices.

Marcus Johnson:

Yeah. So, I mean, maybe there's a market. There's also the argument there's... No, there's not a market and this isn't going to work, because some players, Microsoft, they froze their plans to make another AR HoloLens Snap, they're in no rush to release more AR Spectacles. And Tencent, Chinese company, abandoned its VR hardware plans in February as well. So while Apple was getting into the game, a lot of other folks are taking multiple steps backwards.

But Paul, I mean you touched on something which I think is important, which is the iPad came out and it didn't have a use case. But the Apple Watch came out, that also didn't have a use case. And then all of a sudden, health became its use case, and that's how they started to market it over time.

Paul Verna:

Yeah. Yeah, the Apple Watch did not have a very illustrious start. It took a few versions before it really, really caught on. And now, I think it has hit full stride. I can't believe it's eight years old, by the way, but it's taken a long time. I'm not in the habit of betting against Apple because I

think they have a lot of capabilities and a lot of smarts. But sometimes, they do get ahead of their skis or ski goggles, as it were. So.

Marcus Johnson:

Yes.

Paul Verna:

So we'll see. I think this is going to be interesting. I think seeing Apple get into it, to me, is a little more convincing for the reasons you mentioned, Suzy, than say Meta, which doesn't have a lot of core competencies despite their name change in this area. So we'll see. But if a market develops slowly and the product gets more streamlined and cheap over time, I won't be surprised.

Marcus Johnson:

Right. I think we've got to let this marinate for a second. The Economist was pointing out that things typically do take time to catch on as, obviously, the price comes down. But Apple, they were pointing out, Apple's past hits mostly took several years before they really caught on. The iPhone didn't really take off until its fourth generation in 2010. That'll be three years after the first version dropped. Apple expected to release a lower-cost headset in 2025, according to the Wall Street Journal. That's all we got time for, for the story of the week. Time now for the game of the week. Today's game, what's the point?

I read out four stories and Suzy, Blake and Paul tell us what they think is the main takeaway. Okay answers get one point, good answers get two and answers that give you the same feeling as how books smell, answers that leave you with that feeling, they get you three points. Good one? What do we think?

Suzy Davidkhanian:

No.

Blake Droesch:

Love the smell-

Marcus Johnson:

No?

Blake Droesch:

... of a good book. Of an old book?

Marcus Johnson:

Yes, Blake.

Blake Droesch:

Oh yeah, it's the best.

Marcus Johnson:

Yes.

Suzy Davidkhanian:

It's musty and-

Marcus Johnson:

17 million points for Blake. Game over. Blake wins this week's game of the week. Congratulations to him. He wins the championship belt.

Blake Droesch:

Great to be here.

Marcus Johnson:

And the last word.

Blake Droesch:

Thanks for having me.

Marcus Johnson:

Okay, moving on. Dinner party data. Come on, Suzy. No?

Suzy Davidkhanian:

No.

Marcus Johnson:

Paul, break the tie.

Paul Verna:

I'm with Blake on this one. Sorry, Suzy.

Marcus Johnson:

Yes, yes.

Suzy Davidkhanian:

You would rather win than be telling the truth?

Marcus Johnson:

He is telling the truth, Suzy. You're on your own. Victoria, talk to her. Smell of a good book?

Victoria:

I mean, sorry Suzy. I do like the smell of books.

Marcus Johnson:

There we are. Yes. Hat trick.

Victoria:

Sorry. Sorry, Suzy.

Blake Droesch:

It's universally a revered smell.

Marcus Johnson:

The hat trick.

Suzy Davidkhanian:

In Canada, we don't have that smell.

Marcus Johnson:

What?

Paul Verna:

Whoa.

Suzy Davidkhanian:

Even the books I buy on Amazon-

Marcus Johnson:

I'm coming up to Canada.

Suzy Davidkhanian:

... don't have any smell.

Marcus Johnson:

What's happening up there?

Suzy Davidkhanian:

They don't smell.

Victoria:

Library? You don't get a...

Blake Droesch:

Like at the library.

Victoria:

You walk in, you get the smell.

Suzy Davidkhanian:

Oh, I don't go to the library. I-

Marcus Johnson:

Oh my goodness.

Suzy Davidkhanian:

Oh my God.

Marcus Johnson:

Canada, what are you... I'll be up there next week. We'll get it sorted out.

Suzy Davidkhanian:

Do you know how many germs are at the library?

Blake Droesch:

Oh. What are they doing up there in Canada? What's going on up there?

Marcus Johnson:

Oh my goodness. All right, fine. Good answers get you three points, Suzy. Okay? Good answers. Answers that leave you with the same feeling as winning the Stanley Cup?

Suzy Davidkhanian:

Awesome.

Paul Verna:

There you go.

Marcus Johnson:

Okay, we're back. We're back, Canada. Each person gets 20 seconds to answer before they hear this noise. If you run long, you get a technical foul minus two points. Two texts gets you rejected from the game. Most points wins, gets the last word. Let's play.

Round one. Suzy, we'll start with you. Shoppable TV using AI. Goodbye, QR codes? Insider Intelligence briefings analyst, Daniel Konstantinovic, writes that AI is already rapidly changing the way companies like Disney and YouTube are thinking about advertising. When talking about shoppable marketing in streaming, Disney ad chief Rita Ferro said that today, customers can scan QR codes to buy products displayed in ads onscreen, but AI could instead identify objects within content for viewers and offer ways to buy them directly from

the streaming interface, removing the need for QR codes. But Suzy, Shoppable TV using AI, not QR codes, what's the point?

Suzy Davidkhanian:

So I don't know that the framing on this one was a hundred percent in that AI is not new. It's not a hype. Retailers have been doing it for a really long time. It's just that the tech is getting a little bit more advanced and the use cases are getting a little bit more fine tuned.

I think we all know there's no point of having a QR code on a TV when you're on the couch and you're going to get up to scan it. But I just couldn't visualize or understand the exact way this would work in terms of AI. Not that it's not smart enough to know what I need, but I guess maybe then it comes up on my Netflix. I don't know where I would see the product, I guess is what I'm saying.

Marcus Johnson:

Mm-hmm. Blake.

Blake Droesch:

Yeah, I agree that it seems like a half-baked idea. I don't really understand if this is visual search and it's basically just going to help you find things that you see on TV, on the internet, or is there going to be some sort of shop associated with it? And that would be a seemingly impossible lift for both the television productions and the brands that feature the items. So I don't really see how this is going to work, and I don't think it's really going to be a game-changer in this ambiguous format at least.

Marcus Johnson:

Paul.

Paul Verna:

Yeah, I agree that this raises more questions than it answers. Offhand, I'd say if an AI algorithm is guessing what I might want to buy, it's hard to see what signals it would use. But I also see the potential for, for example, it makes a decision and then basically asked me to confirm a purchase. And that, in and of itself, could be a really lousy user experience when you're trying to watch something. So I think I'd love to hear more about exactly how this would play out,

but right now I can't see a use case that makes sense for either the retailer, the TV platform or the consumer.

Marcus Johnson:

Mm-hmm. Move to round two. We start with Blake. Retailers and customers aren't on the same page, says Insider Intelligence retail briefings analyst, Rachel Wolff. For consumers, rewarding their loyalty is the top priority. But retailers say that their top priority this year, at least, is improving customer service, according to Opinion Matters [inaudible 00:20:33] survey. Another miscommunication is how frequently people want to hear from retailers. Retailers think multiple times a week, customers say once a week is plenty. But Blake, retailers and customers not being on the same page. What's the point?

Blake Droesch:

Yeah, there's a lot there, but I think the main takeaway is that the number one concern for retailers is still staffing issues and finding enough people to staff their stores and operate their customer service. So I think that customer service concerns is really just another term, another way of looking at the labor shortage and how retailers have been concerned about addressing it. Even at the end of last year going into this year, I think retailers certainly understand that customer loyalty is also super important right now and always has been. So I wouldn't say that it's really a miscommunication, just maybe a little bit of a honing in, in the way that the survey questions were asked.

Marcus Johnson:

Paul.

Paul Verna:

There's a lot in this survey that speaks of a really big disconnect and shows how far apart retailers are from their customers. In terms of some of the highlights, I'd say rewarding loyalty should be table stakes for all retailers, but a lot of them seem to be skimping on things like discounts for repeat business. And then on the flip side, hearing that retailers want to prioritize customer service strikes me as just something they're telling themselves to feel better about the fact that so many of them have little or no customer support to speak of, at least in that old-fashioned way of actually getting someone on the phone to explain something that might not fit in an online form or a discussion board.

Marcus Johnson:

Mm-hmm. Suzy.

Suzy Davidkhanian:

So I think the headline gives all of us a lot of job security in that there is a gap between what executives think that consumers want and what consumers actually want. And so you need to do research to bridge that gap. What I think... I mean, I'm repeating what the guy said just in a different way. The way the article was written was ranked one to five or whatever. If you looked at the percentages, there wasn't really a big gap between loyalty from a retailer perspective, knowing that consumers want that, and what consumers actually want.

What you said was a hundred percent. The bigger gap, which should not be a surprise but is always a surprise, is how often retailers think consumers want to be communicated with versus how often a consumer wants to hear from a brand. That gap between what retailers thought and what a consumer thought was much higher than loyalty. And again, like the guy said, it's a no-brainer, right? Consumers rank it as number one because they want to be rewarded for coming to you. And of course, number one for retailer is, how do we make sure that we remove as much friction as possible so you keep coming to us?

Marcus Johnson:

At the halfway mark, Suzy and Paul have five a piece. Blake just behind with four. We start with Paul for round three.

Suzy Davidkhanian:

We jinxed you, Blake. Sorry about that.

Paul Verna:

Not yet.

Blake Droesch:

Not over yet.

Paul Verna:

Yep.

Marcus Johnson:

Programmatic advertising comes to the New York subway, notes Catherine Perloff of Adweek. Up until now, buying ads on the subway has been direct. Most still is, but the Metropolitan Transportation Authority, MTA, in New York began offering some subway inventory programmatically. Brian Rappaport, CEO of out-of-home agency Quan Media Group, was cited in the article as saying, "Despite the potential value gained from buying programmatically, some of the most popular kinds of transit ads are still when a brand takes over an entire subway station." Paul, programmatic advertising coming to the New York subway. What's the point?

Paul Verna:

I can't think of too many places where it makes more sense to have programmatic advertising than the subway. And this program uses some signals like location and time of day, and it's limited to subway station screens. And that seems like a good start, but I think there's a lot of potential to expand it to the subway cars themselves and to use formats like audio and to use more fine-tuned attributes, like being a fan of a sports team or a performer who's playing at Madison Square Garden. Just a lot of possibilities.

And I remember the last time I took the 7 train to a Mets game, I heard some pretty clever ads in the subway read by their broadcast personalities. And they knew what station you were approaching. Those are probably not programmatic, but I think there's a lot of potential, plenty more where that came from in that kind of environment.

Marcus Johnson:

Suzy.

Suzy Davidkhanian:

So I don't take the subway a lot, but this whole thing seems so archaic for me. And it seems like such an oxymoron because the subway cars I've been in, it's the same poster. It's literally the ad is a poster over and over and over again in one car. Unless it's digitized, which I've never seen it in the subway car, I couldn't wrap my head around... So it does make sense to optimize in the morning. So you maybe put stuff has to do with coffee. Or in the afternoon, maybe you do restaurants. The idea is there, I agree a hundred percent, but I just can't see how it happens.

Marcus Johnson:

Mm-hmm. Suzy doesn't take the subway because she wants likes to roll-

Suzy Davidkhanian:

Walks everywhere.

Marcus Johnson:

... pogo stick everywhere.

Suzy Davidkhanian:

She walks everywhere.

Marcus Johnson:

Or runs. She's [inaudible 00:25:51].

Paul Verna:

I don't take the subway eat, but my butler does and he tells me all this stuff that happens.

Suzy Davidkhanian:

Oh right. That's why you thought it was digital. You're taking fancy subways.

Marcus Johnson:

Blake, what do you got, mate?

Blake Drosch:

Well, Suzy clearly doesn't take the subway that much because they do have digital ads on subway.

Suzy Davidkhanian:

They do?

Blake Drosch:

In the subway cars now. Yeah.

Suzy Davidkhanian:

Probably just the queue.

Blake Drosch:

No, no.

Suzy Davidkhanian:

Fancy subway.

Blake Drosch:

A lot of them. Yeah, there are several, and they're good actually. There's a lot of recipes that really... Ads that make me really hungry when I'm on the subway. And I think that if there's something like a delay or you're stuck underground and you're underneath the tunnel and your phone service isn't working, it can really command attention and it can be a very highly valuable ad.

The one thing I will say is that when I think of the MTA, I think things like innovation and efficiency, and all these terms come to mind. So I have no doubt that the MTA will be able to install this programmatic technology-

Suzy Davidkhanian:

Wait, are you being sarcastic?

Blake Drosch:

... super quickly and just... It's always going to work perfectly and bring tremendous value to its advertising partners.

Suzy Davidkhanian:

For a minute I was like, "Did he say the wrong... He meant to say inefficient."

Blake Drosch:

[inaudible 00:27:00].

Paul Verna:

I have to say, the phone payment in the turnstile-

Suzy Davidkhanian:

Oh yeah.

Paul Verna:

... works perfectly every time.

Suzy Davidkhanian:

I mean, only took 20-

Paul Verna:

It works-

Blake Droesch:

Absolutely. 100%.

Paul Verna:

It works faster than Apple Pay in a store. It's unbelievable. I would've also guessed that that was going to be a nightmare, but I've been pleasantly surprised.

Marcus Johnson:

Yeah. Only took them five years to iron out.

Suzy Davidkhanian:

I don't know if you're joking or not.

Paul Verna:

I'm not.

Suzy Davidkhanian:

Oh.

Paul Verna:

It really works [inaudible 00:27:21].

Blake Drosch:

[inaudible 00:27:21]. No, that does work. Yeah.

Paul Verna:

Perfectly every time.

Blake Drosch:

Uh-huh.

Suzy Davidkhanian:

But it's behind. Other countries have been doing that forever.

Paul Verna:

Maybe.

Blake Drosch:

That's also true. Yeah.

Paul Verna:

But it's-

Blake Drosch:

[inaudible 00:27:29].

Paul Verna:

It does work though. And we were also behind on things like metro cards, and the metro cards-

Suzy Davidkhanian:

Finally.

Paul Verna:

... did not work very well.

Suzy Davidkhanian:

Yeah, there was like little coins.

Paul Verna:

They were horrible.

Marcus Johnson:

Kettles. Having kettles in the kitchen.

Paul Verna:

Yeah.

Suzy Davidkhanian:

Oh yeah.

Paul Verna:

Yeah.

Marcus Johnson:

Come on, America. Out-of-home ad spending, we forecast that it's already bounced back. It's above pre-pandemic levels. It's at \$9 billion this year, nearly 10 next year, so growing pretty well. And digital, the digital portion of that, is 30%, pretty much. Just over 30% of out-of-home advertising is digital today. And in four years' time, it will be about 40% digital.

All right, we move to round four. What do we have? What do we have? The scores. Paul has leapt out in front with eight points. Blake and Suzy tied with six. It's double points round four, of course. So it's all to play for if you actually care about the game.

Suzy Davidkhanian:

When did it become double points?

Marcus Johnson:

Every week. Suzy, we can't go over this again.

Suzy Davidkhanian:

Fine.

Marcus Johnson:

Round four. We start with Suzy. It's double points, Suzy.

Suzy Davidkhanian:

Okay.

Marcus Johnson:

Just in case we're wondering. Amazon overhauls its delivery network to ship packages faster, writes Sebastian Herrera of the Wall Street Journal. The goal here is to reduce how far packages travel across the US to get products to people faster, improving profitability. Udit Madan, Amazon's VP of Transportation, says items commonly bought are now increasingly placed closer to customers, with 76% of products customers order now from facilities in their region. So they're buying things that are already close to them. That's up 14 points from a year ago. Amazon says this could affect what consumers see when they search for goods on Amazon's site, with items already located close to a customer appearing higher on the results because they can get them to customers faster. But Suzy, Amazon overhauling its delivery network to ship packages faster. What's the point?

Suzy Davidkhanian:

I think there's two. One, it's that it's faster but also cheaper, which is not always how we think about Amazon doing things on a cheaper perspective and being really margin worried. So I think there's that. And then the other one, which is it's not new. This idea of regional warehouses so that you're closer to your end consumer is not new. What is seemingly new here is that they're optimizing the front end so that whatever choices that they're giving consumers. So they're using data in a different way to optimize for shipping, which I think is very clever.

Marcus Johnson:

Mm-hmm. Blake.

Blake Drosch:

Yeah, I think anything that can increase the speed of delivery is always going to be an automatic win for Amazon because that's what they do so well. But I am a little bit concerned about this stuff that they're doing on the front end when it comes to search. Because I think between retail media and buying with Prime, the search experience on Amazon has taken a hit over the years. And I think lack of variety, especially in certain areas where people are hoping to get maybe that shampoo that they use that they know where to get in the store but they want to get it online and they can't find it because of the way that they're ranking it, could potentially be problematic or lead to a problematic consumer experience.

Marcus Johnson:

Paul.

Paul Verna:

Yeah, I think a regional model makes more sense for Amazon than a national one. And I agree with Suzy. This is not a new concept for Amazon or for anyone. It does seem to be a step in the right direction for them, but I also agree that for sellers and for end users, it might not be a positive if it means that the seller has to stock more inventory in locations that aren't practical for them or if the user's not seeing that product they want in the search. So I guess where I ultimately land on this is that if it shakes out in a way that helps Amazon cut waste and it can help merchants be more efficient and it helps consumers, then it's a check mark in the pro column. But I think the jury's still out on the merchant end user part of it.

Suzy Davidkhanian:

I actually don't think it's going to have that. There's already a lot of clutter, but I think if you're looking for X shampoo brand, the search can't not give you that brand, right? That's their whole thing. Unless it's not available, it's just that if you have two similar items and you do shampoo, it's going to give you the shampoo that's closest to you first. But if you keep scrolling, because you're looking for something, you'll still find it.

Paul Verna:

But I think for more specialized items that may... a certain vendor carries it and they just can't make it available everywhere in the country, I don't know. It could be that some-

Suzy Davidkhanian:

Yes, there will be issues with smaller vendors who can't be everywhere.

Paul Verna:

Yeah.

Suzy Davidkhanian:

That's for sure.

Marcus Johnson:

My question was... I mean, they're trying to get things to people faster. Does speed matter? I mean, it does. But how much? According to a February Metapack study, adults around the world increasingly put cost of delivery as their most important factor when shopping online, unsurprisingly. Speed of delivery is second, but the share of folks saying so went down in the past year. So it's less important than it was. That said, Amazon says customers' use of same-day delivery increased 50% year on year in Q1, or 26 million folks.

Paul Verna:

I was very surprised by that stat.

Marcus Johnson:

How come?

Paul Verna:

Well first off, when I shop on Amazon, I never even see an option for same-day delivery. So I don't know-

Suzy Davidkhanian:

Me either.

Paul Verna:

... if I'm missing something. So where are these 50% coming from? So if I hadn't seen that, I would've said that same-day delivery was one of the innovations that Amazon tried that didn't go anywhere. And then the whole drone delivery and robot delivery, that seems well, well, well ahead of its time it so it may never happen. So as far as the delivery speed, A, not convinced

that it's what people want. Because as you're saying, Marcus, from that study, cost is definitely a big issue. But also, I just don't see where are these options for same-day delivery.

Marcus Johnson:

Mm-hmm, mm-hmm. All right, folks. Irrespective of the excellent points Paul made at the end, he won. 14 points to Paul, Blake and Suzy 10 apiece. So Paul nearly... Well, ran away with it at the end. Congratulations to Paul. He wins to championship belt-

Paul Verna:

Wow.

Marcus Johnson:

... and the last word.

Paul Verna:

I'm speechless because I did not expect this to happen. I really thought it was-

Marcus Johnson:

You just wasted all of your terrible jokes at the beginning.

Paul Verna:

Yes, I did. So I guess the last word... And it's something that I might've saved for dinner party data, but I have another-

Marcus Johnson:

It's a joke-

Paul Verna:

... dinner party data.

Marcus Johnson:

... I'm going to lose it. Okay.

Paul Verna:

It's not a joke.

Marcus Johnson:

All right.

Paul Verna:

It's not funny at all. In fact, it's worse than a joke in the sense that it's... Well, here's what it is.

Marcus Johnson:

Okay.

Paul Verna:

Americans spend about 12% of their lives watching television, and that's a lot because if you think... You're supposed to spend about 30% of your life sleeping and probably spend another, what, eight, 10% eating and getting back and forth to places. So you tack on the 12% you spend watching TV, and that's a lot of time. [inaudible 00:34:30].

Marcus Johnson:

Don't listen to him folks. Watch more television. Come on.

Suzy Davidkhanian:

Or listen to podcasts.

Paul Verna:

Yes.

Marcus Johnson:

Can you watch enough?

Paul Verna:

Yeah.

Marcus Johnson:

That's true. Good points, Paul. There's just too much on though, isn't there, to watch? I don't know. I don't watch TV. But anyway, apparently there is. 12% of your life. Good God.

Paul Verna:

You don't watch any NBA games, Marcus? Come on.

Marcus Johnson:

Ah, he's got me there.

Paul Verna:

There you go.

Marcus Johnson:

Lakers fan.

Paul Verna:

There you go.

Marcus Johnson:

Yeah, it's true. That's all we've got time for, for the game of the week. Congratulations to Paul. He won. Time for dinner party data, the part of the show where we tell you about the most interesting thing we've learned this week. Paul, go.

Paul Verna:

So I'm going to talk a little bit about the popularity of last names in the US according to I guess this is census data. And we're going to do this as a sort of contest here among the group.

Marcus Johnson:

How unique is Johnson?

Paul Verna:

Very not unique.

Marcus Johnson:

Okay, fine.

Paul Verna:

But the good part is you're number two.

Suzy Davidkhanian:

Smith.

Paul Verna:

You're second only to Smith.

Marcus Johnson:

The second most common last name?

Paul Verna:

Yes. Popular.

Suzy Davidkhanian:

You didn't know that?

Paul Verna:

Second most popular.

Marcus Johnson:

I mean-

Paul Verna:

Let's not say common. Say popular.

Marcus Johnson:

Less common. Sorry, sorry. Common, sorry, is what I should've said.

Paul Verna:

Yeah.

Marcus Johnson:

Not less common.

Suzy Davidkhanian:

You didn't know that?

Paul Verna:

Just-

Marcus Johnson:

I knew it was common. I'm kidding. I didn't know it was the second most.

Paul Verna:

It's the second, Just ahead of Williams but behind Smith.

Marcus Johnson:

Ooh. That's right, Williams. Get back.

Paul Verna:

Now to continue, the second ranked person in this group is yours truly. The name Verna ranks 20,0057th among last names in the US. So, I mean, it's a little short of number two, but it's second in this ranking. So I guess I'll take the Silver. Droesch is number... Or rank 91,221. So not so bad, but it is worth a bronze medal for you, Blake. So congratulations. And when I searched this database for Davidkhanian, I got a page that says 404 page not found.

Suzy Davidkhanian:

Aw.

Paul Verna:

So you're-

Suzy Davidkhanian:

I'm so unique.

Paul Verna:

You're not on the radar at all.

Marcus Johnson:

Because you're... Yeah, [inaudible 00:36:43].

Paul Verna:

But here's the best particular. And this is not me saying this. This is the error page on the census site. As a consolation prize for not having your last name anywhere on the radar, it gives you a joke. And here it is.

Suzy Davidkhanian:

Stop.

Paul Verna:

When I was younger, I had no interest in populations and demographics. Now that I'm older, I realize that I love it. I guess you could say I came to my census.

Suzy Davidkhanian:

Oh my God, I love it. That's the best.

Marcus Johnson:

That is terrible.

Paul Verna:

That's for you, Suzy.

Suzy Davidkhanian:

Thank you.

Marcus Johnson:

They're getting worse.

Suzy Davidkhanian:

I loved that.

Marcus Johnson:

Paul...

Suzy Davidkhanian:

My kind of joke.

Marcus Johnson:

Paul's banned.

Paul Verna:

I was going to say banned.

Marcus Johnson:

Paul is banned one week.

Paul Verna:

He's going to revoke my championship belt. I'm going to be barred from-

Suzy Davidkhanian:

Any podcast.

Paul Verna:

... any podcast, video or otherwise.

Marcus Johnson:

We're never getting into the hall of fame anymore. Never. Very nice. Suzy, you're up.

Suzy Davidkhanian:

So I'm having some paperwork that's come to my house that seems to be off. So then I decided not to alarm anyone, that I would check some statistics around cyber crimes and just crimes in general. So I found the FBI report for 2022. Can you guys guess how many dollars worth of internet scams happened in 2022?

Blake Droesch:

Several billion.

Suzy Davidkhanian:

Yeah. 10.3 billion, 801,000 complaints. I thought everybody did the What to Watch Out for Phishing videos and all that stuff, but apparently not. The number of complaints has decreased by 5%, but the dollar increase is 49% to last year. Less people getting scammed, but the ones who are getting scammed are spending way more. Most reported crime? Phishing with 300,000 victims, over \$52 million. And the highest dollar ones are the investment fraud ones, which that sounds really not so great, including crypto.

Marcus Johnson:

Sobering, but fascinating statistics. Thank you, Suzy. Blake.

Blake Droesch:

This is one that I've definitely used before, but it's an update to it.

Marcus Johnson:

Oh, for crying out loud, Blake.

Blake Droesch:

It's Americans' opinions on 20 different-

Marcus Johnson:

Pizza toppings.

Blake Droesch:

...music genres.

Marcus Johnson:

Okay,

Blake Droesch:

So this is a new poll from YouGov that's from May. So it found that the most popular or favorite genre of music among US adult citizens is classic rock. 20% said that classic rock was their favorite genre of music, followed by 12% who said country and 8% who said R&B. When you go to the 45 and older crowd, classic rock is even more popular. It's the top answer at 29%. But when you go to 18 and 44-year-olds, it's not the most popular. The most popular genre is rap and hip hop. And I fancy myself right between those two because classic rock and hip hop are my two favorite genres. So congratulations, America. You have good taste in some things.

Marcus Johnson:

Finally.

Suzy Davidkhanian:

Says an American.

Marcus Johnson:

I know. He's just being honest. Very nice.

All right. Right folks, I've got one for you real quick. How long does a baseball game actually take to play?

Suzy Davidkhanian:

87 hours.

Marcus Johnson:

Yes. Have you seen these numbers before? That's not true.

Paul Verna:

I'd say about 11, no less-

Marcus Johnson:

That's close.

Paul Verna:

... than 11 minutes of actual-

Marcus Johnson:

That's close.

Paul Verna:

... game time.

Marcus Johnson:

Oh, actual game time. So we'll get to that.

Paul Verna:

Okay.

Marcus Johnson:

We start with the average length of a nine-inning major league baseball game. Averaging [inaudible 00:40:14] last 10 seasons here is just-

Blake Droesch:

Does it include the 2023 season with the pitch clock?

Marcus Johnson:

No.

Paul Verna:

Okay.

Blake Droesch:

No? Okay.

Marcus Johnson:

No.

Paul Verna:

So then it was somewhere north of three hours.

Marcus Johnson:

Three hours.

Blake Droesch:

Three hours and a half hours. Yeah.

Paul Verna:

Yeah.

Marcus Johnson:

So just over three hours. Yep.

Paul Verna:

Yeah.

Marcus Johnson:

The fastest professional game. Do we know how long the fastest game was? It was August 30th, 1916.

Suzy Davidkhanian:

Yeah, 65 minutes.

Marcus Johnson:

Paul, you remember.

Suzy Davidkhanian:

So-

Paul Verna:

Yeah, yeah, yeah.

Marcus Johnson:

[inaudible 00:40:41].

Paul Verna:

I was in my late 50s and listened to a lot of classic rock back in 1916.

Marcus Johnson:

Front and center. So the fastest professional baseball game ever recorded. It was between the, as Paul knows, the Asheville Tourists and the Winston-Salem Twins.

Suzy Davidkhanian:

Oh God.

Marcus Johnson:

They played a full nine-inning game in how long?

Suzy Davidkhanian:

65 minutes.

Blake Droesch:

I just like the fact that a cigarette company used to have a baseball team. What happened to this country?

Marcus Johnson:

All downhill. 31 minutes.

Paul Verna:

How? How?

Marcus Johnson:

They played a nine-inning game in 31 minutes.

Paul Verna:

How did they do that?

Marcus Johnson:

Goodness knows. No one hit anything, I guess? I don't know what the score was, but probably low. The longest professional baseball game ever was in the minor leagues actually. The Pawtucket Red Sox played the Rochester Red Wings April 18th, 1981. It was How many innings? Any guesses?

Suzy Davidkhanian:

25.

Blake Droesch:

25. [inaudible 00:41:37].

Marcus Johnson:

It lasted 33.

Paul Verna:

No.

Suzy Davidkhanian:

Wow.

Marcus Johnson:

So it was a 33-inning game that spanned two days. After eight straight hours, the league president instructed umpires to suspend the game in the 32nd inning. It was 4:00 AM, hours into Easter Sunday, and players were so cold, they burned their broken bats in metal trash cans to stay warm, NPR reports. The game included Hall of Famers Cal Ripkin Jr. and Wade Boggs.

Blake Droesch:

Wow.

Marcus Johnson:

The game was picked up two months later, June 23rd. The top of the 33rd inning, Pawtucket's Dave Koza hit a single with the bases loaded and no outs and won the game. You'd be crushed if you lost that one.

Paul Verna:

So I think Cal Ripkin Jr., doesn't he have the record for the most consecutive games played?

Blake Droesch:

Yeah, he does.

Marcus Johnson:

Oh, [inaudible 00:42:23]?

Blake Droesch:

That's probably... He was like, "If I could get through that game-"

Paul Verna:

Exactly.

Blake Droesch:

"... I could get through all of them."

Paul Verna:

That was his conditioning.

Blake Droesch:

[inaudible 00:42:29].

Paul Verna:

That was his training.

Marcus Johnson:

But to Paul's initial guess for how much action is there actually played in the baseball game, the Wall Street Journal calculates that a baseball fan will see about 18 minutes of action over the course of a three-hour game. That means that 90% of the game is spent standing around. There is a number out there, Paul, that is lower. It's closer to the 11-minute mark, but this one was the Wall Street Journal's calculations.

Paul Verna:

All right.

Marcus Johnson:

That's not enough baseball, okay? That's not enough. That's a;; we've got time for this episode. Thank you to my guest for hanging out. Thank you to Blake.

Blake Droesch:

You're welcome.

Marcus Johnson:

Thank you to Suzy.

Suzy Davidkhanian:

Thanks for having me.

Marcus Johnson:

And thank you to Paul. I nearly forgot to thank you. You won the game of the week.

Paul Verna:

Always a pleasure. Thank you.

Marcus Johnson:

Thank you to Victoria who edits the show, James who copy edits it and Stuart who runs the team. Thanks to everyone listening. We'll see you guys on Monday, hopefully, for the Behind the Numbers Daily, an eMarketer podcast. Happy Weekends.