Marcus Johnson, Ethan Cramer-Flood, Oscar Orozco, and Zach Goldner

The Weekly Listen: How the new NBA rights deal affects networks, viewers and advertisers, tapping into consumer 'modes', and more

Audio

On today's podcast episode, we discuss how the new NBA media rights deal will affect all the different players, the concept of consumer modes, how much Google's 'AI Overviews' will affect publishers, what will happen to X's user base next year, the state of America's vacation culture, and more. Tune in to the discussion with host Marcus Johnson, forecasting writer Ethan Cramer-Flood, forecasting analyst Zach Goldner, and director of forecasting Oscar Orozco.

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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 might be getting hustled by Marissa Koslov. We just worked this out, so our colleague Marissa who listens to the show, hello Marissa. We're onto you. She's been pretending not to know about sports and crushing everyone in the fantasy football and apparently the March Madness bracket.

Ethan Cramer-Flood:

Yeah, classic misdirect.

Zach Goldner:

You guys started fantasy football yet? I didn't get the invite.

Marcus Johnson:

Moving on, I'm your host, Marcus... Maybe next year, Zach, maybe next year. I'm your host Marcus Johnson. In today's show, the biggest takeaway from the new NBA rights deal. Will the concept of consumer modes catch on? How will Google's AI overviews affect publishers in the future? What will happen to X or Twitter's user base by next year? And the state of America's vacation culture. We start with our senior director of forecasting based in New York City, it's Oscar Orozco.

Oscar Orozco:

Hello, gentlemen. Hello, listeners. Happy to be on.

Marcus Johnson:

Hey, fella, happy to have you. Also in that same town, we have our principal forecasting writer. His name is Ethan Cramer-Flood.

Ethan Cramer-Flood:

The forecasters are back, what, what? It's been a minute.

Oscar Orozco:

That's right.

Ethan Cramer-Flood:

It's been a minute.

Marcus Johnson:

And finally, we have someone else who's part of that crew, part of the forecasting team, our senior forecasting analyst. He's based in Colorado. It's, of course, Zach Goldner.

Zach Goldner:

Hey, hey, hey. If they live in a town, then I think I live in a little settlement. New York's a little bigger than that.

Marcus Johnson:

It's probably fair, although it's losing people, I read.

Zach Goldner:

Good.

Marcus Johnson:

I think it lost about 80,000 people between 2022 and 2023.

Oscar Orozco:

We didn't want them.

Marcus Johnson:

Oh, okay.

Zach Goldner:

Never come back.

Marcus Johnson:

Not losing enough, still too busy. What do we have in store for you today? A story of the week, a game, we end with some random trivia. Let's get to it. We start of course, with the story of the week.

[NEW_PARAGRAPH]The new MBA rights deal. So the MBA strikes gold apparently, with a new $76 billion 11-year media rights deal with Disney, NBCUniversal, and Amazon Prime Video, notes our senior director of briefings, Jeremy Goldman. The deal, which is two and a half times the value of the last one goes into effect after the coming season. And Jeremy notes that Disney's ABC and ESPN will continue to host the NBA finals and Christmas Day games. NBCU gets opening night games and a new Sunday night primetime slot, and also the all-star game. And Amazon gets the play-in tournament and will help with the NBA League Pass, and then there's a bunch of games divvied up amongst them. Warner Brothers Discovery though, who have hosted the NBA on its TNT network for over 30 years are taking the NBA to court after its matching offer was rejected and they were left with no NBA rights at all. Oscar, I'll start with you. What to you was the biggest takeaway from this new NBA rights deal?

Oscar Orozco:

The biggest takeaway, I mean, what's that emoji with the money mouth face and I think there's a green bill for a tongue and a dollar sign?

Ethan Cramer-Flood:

Cha ching.

Oscar Orozco:

Cha ching. That's honestly what it is. I mean, the NBA should consider changing its logo to that emoji.

Marcus Johnson:

To the dollar sign.

Oscar Orozco:

Sorry, Jerry West.

Marcus Johnson:

Jerry West. Unbelievable.

Oscar Orozco:

But it's crazy. There really is a lot to digest here. Aside from that, of course, for me, the biggest question mark really, and the biggest takeaway that I'd like to talk about here is the future of venue sports. Given the fact that Warner Brothers Discovery was sort of pushed out of this deal, and of course I believe you talked about it just the other day on the podcast here, just a recent ruling that puts just the future or the platform in jeopardy and its future longevity.

Marcus Johnson:

So that's the, quickly for the folks, the collaboration between Disney, Fox and Warner Brothers Discovery. It's a sports streaming focus service that they tried to launch, were going to launch for this upcoming NFL season and the court said, "Whoa, whoa, whoa. One second. You've got too many of the sports rights. This is going to be a monopoly and probably kill fit people like Fubo."

Oscar Orozco:

Exactly. And I mean what this whole deal is telling us is the future of sports is streaming. So you have to wonder if... What's the state of the relationship between Fox, Disney and Warner Brothers Discovery? Whether this could be a sign that ultimately it will not come to fruition in the end, and what will that mean more so for consumers here? But of course when you think of just the future state of sports, streaming and what that'll mean for ad market as well. So just a lot of question marks there for me because to me that was the story of 2024, and so putting this deal aside, I'm curious about what'll happen there.

Marcus Johnson:

Yeah, certainly bad news for Warner Brothers Discovery, depending on how the court's rule, this is still pending, this decision. It's kind of a bit awkward because they're suing the people that they're still in business with because this deal doesn't get the people that they're still in business with because this deal won't start until next year. So they're still going to work with the NBA this year and it's TNT, Warner Brothers Discovery's channel is the NBA's oldest media partner. They still have some smaller rights deals, NASCAR, NHL, MLB, but-

Zach Goldner:

They also got NCA-

Oscar Orozco:

Also, they have the-

Zach Goldner:

NCA basketball-

Ethan Cramer-Flood:

Some of it.

Zach Goldner:

Some of the new sport as well.

Marcus Johnson:

Okay. There's nothing like the NBA or even the NFL for that matter.

Zach Goldner:

No.

Marcus Johnson:

Zach, what's for you the biggest takeaway?

Zach Goldner:

Yeah, I'm with Oscar on this, money talks. I think the biggest winner is Adam Silver with this and the deal is able to negotiate a 2.5x over what the last media rights deal is huge. Just thinking about the profits that the owners are going to be making and then the players union for the NBA is extremely strong, so I can't remember what the 12th man makes and the NBA, I want to say it's somewhere in the range of roughly $5 million a year. Imagine it's going to be 2x'd. Same thing with your LeBron James is in the league. They're going to be making a lot more money. Those players are going to get their contract in a couple of years, going to be raking it in.

Ethan Cramer-Flood:

Yeah, someone's going to be making $100 million a year before you know it.

Oscar Orozco:

And I've always thought that would maybe happen in the MLB first or maybe the NFL, but it's looking likely like it'll be in the NBA, right, guys?

Ethan Cramer-Flood:

Yeah.

Oscar Orozco:

I mean it's crazy. Is he the GOAT, Zach? Is he the GOAT of commissioners, Mr. Adam Silver?

Zach Goldner:

I took a picture of him when I was 13. It's great, great time. I love the guy. I think he's done a great job being able to manage the players and owners. It seems like for most part it is one of the best run leagues in the US, so I think Adam Silver's done a great job. But I do want to give a counterpoint, even though I think Adam Silver and the money is a big winner this time around, I don't think the same thing for the fans. I know that's the message that NBA is giving. It's going to be a lot more accessible, especially over digital. But first of all, you're losing what could be the best coverage team in all sports, which is inside the NBA with Shaq, Charles Barkley, Ernie Johnson, et cetera, and that is something along the main-

Ethan Cramer-Flood:

Kenny gets the et cetera. That's a tough one Kenny.

Marcus Johnson:

It's true.

Oscar Orozco:

I love... Kenny's the best.

Zach Goldner:

I agree. I agree with that.

Marcus Johnson:

But yeah, it's their kind marquee show, NBA show for TNT, which is owned by Warner Brothers.

Zach Goldner:

But for those that thought that cutting the cord would be the best option, now you're going to have to pay for cable or you're going to have to pay for Peacock. You're going to have to pay for Amazon to watch all those games and ESPN plus, I believe. Or you can just fork over a lot of money and pay for NBA League Pass. So it really is going to be a pain for the fans and their wallets.

Marcus Johnson:

Yeah.

Ethan Cramer-Flood:

Come on. That's about what we're losing. What about what we're gaining? John Tesh is back y'all. Roundball Rock. Let's do it.

Oscar Orozco:

Is that what we're talking about?

Ethan Cramer-Flood:

See, the Gen Zers in the audience are like, "What's he talking about?"

Marcus Johnson:

I was.

Ethan Cramer-Flood:

But anybody who watched the NBA in the 90s and the 2000s knows that NBC is getting basketball back, which means we're getting John Tesh back, the most fire up music of all time. The big winner here is Peacock. This is my takeaway. So I'm looping in my NBC Comcast Peacock story into one. This is huge news for them, right? We're talking about what we're losing with Warner Brothers, what Disney managed to maintain, and then we don't even have time to bring up Amazon, but we just saw Peacock come off of these incredibly successful Olympics. They've got the NFL on there now. They've got an exclusive NFL game, they've got Sunday night football and now they're going to have NBA lots and lots of NBA games both on NBC and on Peacock all year round.

They're making huge moves. This is what had been considered a second tier streaming service that I bet is going to be very close to a top tier service, doing in a slightly different strategy. There's simulcast. Lot of stuff is going to be... They're doing a strategy of maintaining linear

TV while also having stuff on streaming in a way that maybe Disney Plus isn't doing. I think this is gigantic for them.

I think that I kind of disagree with Zach. I understand the point that we're losing Charles and Shaq and Kenny and Ernie, but overall there's actually going to be more NBA available. If you have cable TV and Amazon Prime and almost everyone has Amazon Prime. If you have cable and Amazon Prime, you're going to have more NBA games than ever. It's not going to actually be too hard to access this because Disney stuff is all still going to be on TV and NBC stuff is going to be on TV, and then we all have Amazon. So I don't know. I'm kind of down with this. I don't care what happens with venue. I think this is a good deal for everyone.

Zach Goldner:

Ethan, what do you think is going to happen to the prices of all those subscription services? They're surely not going to stay the same once they take over those new sports streaming rights.

Ethan Cramer-Flood:

Yeah, but I got cable, so that's your problem. [inaudible 00:10:53].

Marcus Johnson:

Ethan is the last person in America who has cable.

Zach Goldner:

Even above me at this point.

Marcus Johnson:

Was Oscar for a while. No, it does seem like there's more winners than there are losers, but there are going to be a few, maybe consumers have to try and find stuff, it's a bit hard for them, where Discovery is an obvious one. I would speak about one other winner here, which is the WNBA because they're also going to benefit. So as part of this NBA deal starting next season, WNBA will receive at least $200 million per year from the broadcast partners we talked about, plus around 60 million from other deals. Now, $200 million is not near the 7 billion a year the NBA is going to get, it's 35 times less. However, that 200 million is 6 times what the league currently gets, and the WNBA is going to re-evaluate the media rights in about four years time because ratings and season length are expected to go up. So I do think this was a win for them as well.

Ethan Cramer-Flood:

Shout out New York Liberty, first place.

Marcus Johnson:

Come on, fever, do better. And that's really quickly to the final point. I mean this testament to women's sports worldwide, women's professional sports. I found some numbers on worldwide women's professional sports revenues and they're growing really fast. So this chart, you can see this is data from Deloitte that shows that the dollars are nearly doubling from basically $700 million to 1.3 billion in the past two years. So incredible growth there, still small numbers that are too small compared to the male counterparts or compared to what the men are making, but the growth suggests that it's going in the right direction. Final thing I want to mention as well is this is a big deal for advertisers for a few reasons. One, is the NBA is one of the few remaining large live TV audiences. The NBA's regular season viewership last season averaged about 1.6 million viewers per game. And Jason Notte of Adweek had two important points for advertisers. One, there's lots of impressions here. So TV analytics company EDO was noting that last season the NBA produced over 56 billion impressions for advertisers across 29,000 making the full NBA season 4 times more impactful for advertisers than the average prime time program. So the NBA is a big deal in that regard. And then two, the NBA over indexes on engagement. Viewers were 12% more likely to engage with ads during an NBA game than during the average prime time broadcast, up 15% year-on-year and up 40% in the playoffs making the NBA second only to the NFL in effectiveness for advertisers. So lots of reasons to be pleased with this. Some reasons to maybe not be.

But we move now to the game of the week. Today's game, the super-duper game. How does it work? Three rounds. Today we have fortune-teller, the random scale and fill in the blank. Better the answers, the more points you get. Round one. We start with Ethan. For fortune-teller, where we predict the future. Forget habits, preferences, and demographics. Tap into consumer modes suggests Dave Norton of experienced strategy company, Stone Mantel. He just wrote in an Adweek article that, "Messaging toward situational needs is a far more cost-effective way to win customers." Mr. Norton talks about modes, a mindset and a set of behaviors people get into temporarily. Think mom mode or work mode, et cetera. He gives the example of American economy hotel chain, Red Roof Inn, who used data to send mobile ads to folks who were in, my flight just got canceled mode, so they could get them a room because they'd be staying where they worked. So flight got canceled. He posits that understanding modes helps marketers understand the real time needs of people. But fortune-teller, Ethan, will the concept of consumer modes garner more significance than other targeting methods?

Ethan Cramer-Flood:

Yeah, I mean I think this has legs. I mean, I don't know about more significance than... It's not going to garner more significance than responding to a search query, but I think it's a good idea and it's likely to gain traction. It makes a lot of sense when you think about the emergence of commerce media, for instance, where we're thinking more about where a person is and what they're up to rather than who they are. So if you are on your bank's website, you are probably in financial management mode. This is what you're thinking about. If you're on a plane or if you're on a travel and transit related website, you're in travel mode, you're thinking about movement. It doesn't matter your demographics, your race, gender, previous purchase history, right? Because you're just in a different frame of mind. I think this is the way to go and particularly if you can manage it in a sort of non-invasive way, a privacy protecting way, which is possible if you're just thinking about this is where these people are, this is their mindset, this is the mode that they're in.

Marcus Johnson:

Oscar.

Oscar Orozco:

Yeah, that's really interesting. I don't think it's a new concept per se though. Ironically, I think some sort of smart marketer has just rebranded it. So in that way, being sold as some sort of alternative at this point. I mean clearly the whole mode state of mind thing, I thought that stat from 2000% growth in Google searches over the past five years is very powerful. People are thinking in that way. It's a self motivational phrase for people to be more productive and get tasks done, et cetera. So it's very interesting. But again, I don't think it's a new concept. I think the concept of targeting consumers, whether they're... Based on their past purchases or personalities or preferences, that's still going to be some sort of a thing. And I also think there'll be a time and place for large companies to flex their budgets and spend on just branding and awareness. So it's just like another tool for marketers and something that has been around, just that there's more focus on it now than before.

Marcus Johnson:

Zach.

Zach Goldner:

Yeah, well it seems like a good idea to me at face value, but the real challenge to me is really to identify when someone is in a particular mode and for how long they'll be in that mode. Ethan mentioned when you're on your bank like a banking app, maybe you're in a financial services mode at that time, but how long is it going to last? I could see a lot of complexity and potential inaccuracies about determining whether you're in that mode or not. And that's not even taking into consideration the privacy implications. Marketers and advertising has gotten in a lot of trouble and things have gotten a lot tougher to be able to track people over time or at least there's more legislation coming into play where I can see this having a hard time really taking off moving forward.

Marcus Johnson:

Some great answers gents. Let's move to round two and we have the random scale. That's where folks have to tell me about the chances of something happening using the random scale. We're talking about Google's AI overviews and how they're not hurting some publishers' traffic yet, but they still loom large. This was an article from our briefing's analyst, Daniel Konstantinovich. He notes that publishers have yet to see significant traffic drop-offs due to the launch of Google's AI overviews. According to Q2 results from the New York Times, IAC and Ziff Davis. Before AI overviews were broadly rolled out before the summer, there were estimations that publishers search traffic could fall by as much as 60%. Daniel cautions that whilst the first quarter of AI overviews has not significantly affected traffic for some publishers, that doesn't mean it won't be a large threat in the long term.

Question is how much will Google's AI overviews affect publishers? The possible choices today, we're starting with Oscar, are current data is proof things won't be that bad or things will get slightly worse, or this is simply the calm before the storm. Oscar.

Oscar Orozco:

I'm somewhere in the middle on this one and so I'm going with things will get slightly worse. I just think in this instance it's a bit too soon to call AI overviews an existential crisis for publishers. There's this huge storm that's coming. It's not necessarily just based on that data. I mean I think of anything with technology, it's a two-way street, so consumers have to adopt it, right? There are going to be people who will just simply ignore them. They're going to go straight to their favorite publishers. Keep in mind that the AI overviews have to link to these resources as well, and I don't think there will ultimately work for every type of search query, just as we see now it'll get a little bit better, but it's not going to work.

So Google's going to stand to benefit from this. We're going to see more and more of it, but I do think there's going to be more regulation, safeguards, revenue sharing with publishers as well. So it changes the game a little bit, but it's going to take a bit of time. So things will get slightly worse, but it'll take decades is what I think.

Marcus Johnson:

Okay. Zach.

Zach Goldner:

Decades is a long time, especially at the rate of how AI is exponentially growing at the moment. For that reason, I'm going to take that this is simply the calm before the storm. I think that publishers should start weatherproofing now, weatherproofing their strategies so they can stay high and dry as things change a lot following for years. I don't think it's going to be this year, I don't think it's going to be next, but moving forward I could really see this taking away more and more search ad revenue from publishers. When you guys use ChatGPT and Generative AI in your searches, the results that I get are a lot better than going to a site that's just trying to... Made for advertising website or something like that that might not have great context. You have to search through and go through all those ads. But I can say is if you're able to get those results and the queries that could take a lot of ad revenue from a lot of sites that are currently doing quite well.

Marcus Johnson:

Really lent into the weather metaphor at the beginning. Extra points. Ethan.

Ethan Cramer-Flood:

This is convenient actually, because I was going to pick the other one anyway, I don't think that things are going to get that bad or much worse for two reasons. First and foremost, because things are already bad. The enormous amount of damage has already been done. The devastation to independent digital publishers ad revenues has already happened. Google has already swamped them completely. There is not much damage left to do. But the other reason, which probably more useful is that at least the current format of AI overviews is really not that different than what we already see. It provides a little bit of a blurb of an answer. We already are used to Google giving us those little blurb excerpts from your search results. It's just right now that AI overviews is just a little bit more stuff on the screen that is already extremely busy and full of stuff.

If you're going to a Google search, there's basically two kinds of people searching. You're going on there because you want the search to lead you somewhere that you intend to go, you're going to click, you're looking for an article, you're looking for a source, you're looking for a place to shop, you're going to Google so that you can eventually click through and those people still are going to click through. And then there's all the other searchers that were going to that Google page just to get a quick answer. They weren't going to click through anyway. They're still not going to click through. This is just another quick way to get a quick answer. So I don't think it changes very much, not yet.

Zach Goldner:

I want to make one last point where I really worry is for news publishers. When a ChatGPT or another gender of AI platform is able to pull from the editorial style and the voice of all the news publishers on the current market, there's going to be less and less of a need to actually go to those individual sites, going to be less ad revenue coming to them and more people just using the search browser as is and getting a query from there.

Marcus Johnson:

I appreciate you guys taking a stab at this one because so far AI overviews haven't yet been rolled out at scale and so it is hard to predict, but it's interesting that you all took the separate positions. Daniel who wrote the piece was noting that AI overviews only appeared on 15% of search queries in May according to Bright Edge. But Google believes the product is the future of its search experience, meaning it's likely to expand to yet untouched search categories. All right gents, let's see what the scores look like.

Ethan Cramer-Flood:

Scores? I always forgot that he scores them. Come on.

Zach Goldner:

I got my hat in the closet.

Marcus Johnson:

No need, although, well no need. You might win, but no need for the hat. Zach five points, Ethan four, Oscar with three.

Oscar Orozco:

Round two is totally me. Get out of here. All right, whatever.

Marcus Johnson:

Well round two was, round one you really struggled. All right, let's move into the final round. What do we have for you? Round three is fill in the blank, where folks do that. We're talking about X or the X or Twitter exodus that wasn't, that's the title of an article by Sarah Perez of TechCrunch where she notes that despite the anecdotal evidence on Meta's rival Threads where folks can't stop talking about deleting their Twitter accounts, the app store and website traffic data from Census Tower, Similarweb and Appfigures doesn't yet reflect any significant changes in Twitter users fleeing the platform en masse. But fill in the blank. We'll start with Zach. By next year, X or Twitter's user base will be blank.

Zach Goldner:

Loud, proud with a small crowd. See what I did there?

Ethan Cramer-Flood:

Oh my God.

Marcus Johnson:

Not your best pun.

Ethan Cramer-Flood:

How much time did you-

Oscar Orozco:

Was that an AI thing?

Ethan Cramer-Flood:

ChatGPT, can you give me a rhyme?

Zach Goldner:

No, that's my brain up there.

Marcus Johnson:

You should have said it was AI. Go on.

Zach Goldner:

Well, as much as everyone expected Twitter or X to really blow up in the months following Elon Musk's acquisition, I don't really think it did. I mean it dropped, what was it? 10, 12% in user base. But since then it has really much fanned out. Even with our last forecast from our eMarketer perspective, we've looked at it really flat line. My best guess is for this next year for it to experience a further stabilization. However, you're going to see the base pivot more and more towards a niche loyal community platform shift to subscription driven model where there's going to be fewer users, but those having more of a niche focus. And with the election taking place too, I think that niche focus is going to be more on political matters and political denying as well, which I don't think is going to fare all too great for advertisers that might look to go back onto the platform. I continue to see a big mess, but I don't think that the platform is going to hemorrhage many more users in the coming year.

Marcus Johnson:

Ethan.

Ethan Cramer-Flood:

I mean this is easy. Next year X will have 3.8% fewer users than this year for just about 52 million monthly users in the US.

Oscar Orozco:

Sounds like you forecast, Ethan. Yeah.

Ethan Cramer-Flood:

This is what we do.

Zach Goldner:

I agree with you.

Ethan Cramer-Flood:

How did Zach not throw this out there? And for that matter, Threads will have 22.8% more users and we'll just about catch it. So yeah. All right. So I mean my real answer is that it's more on the Thread side. I think Threads is thriving. Threads is coming into its own, it's going to succeed. It will catch X relatively soon. It will exceed X in the coming years. I have anecdotal evidence of that myself, my girlfriend who's a long time Twitter user has finally shifted over to Threads. She reports that it has now become a place where there's lots and lots and lots of people. There's lots of content, you can waste a lot of time there. You can have fun there, wasn't really the case six months ago. But on the other hand, X is not going away. I don't buy this X exodus. I don't think... It's going to go slightly down. It will be superseded by Threads, but it's not going away. It's going to keep right on churning because people love to scream at each other and they want to be there in that cesspool.

Marcus Johnson:

I mean it seems like there's some hard numbers on Threads growing as well. They said they crossed the 200 million monthly active user number, or sorry, mark, it's up from 150 in April. Oscar, what's your answer, sir?

Oscar Orozco:

Yeah, I mean I think I'm on the same page as Ethan here and I think our forecast reflect that as he was joking about. It's slight declines, I mean-

Ethan Cramer-Flood:

These forecasts are not a joke, buddy.

Oscar Orozco:

Yeah, that's right. And that's what we've thought all along, right? So slight declines. I mean I think... It's a couple of things. I mean it's not just Threads, it's Bluesky, it's Mastodons, these other services that are taking some market share away from X. And that's not a good thing. I mean X was in the position at some point with no real viable competitors and they've really ruined it for themselves with Musk's antics and people are sick of site degradation, there's inappropriate ads, there's increased ad loads across the board and it is interfering with users experiences and I can say that anecdotally as well in appropriate posts. So that's going to slowly take away some of the user base. And again, I think that's what our forecasts are showing anyway. So yeah, that's the case. And X will still have millions and millions of users, of course. We'll see if what the floor will look like. We're not clear on that yet.

Zach Goldner:

I know we've compared Threads and Twitter or Threads and X a lot to each other. I would just mention with X, I think we'll see a lot more of an engaged core audience. When you look at Threads, it's much more of like an add-on to that of Instagram. Something that people will see on their Instagram feed every now and then and want to click and might browse through it once every few weeks. And that still counts as a monthly active user. But I think in terms of X, people are on more on a daily matter to get their latest news, whether it's good news or bad news, they're getting it all on that platform.

Marcus Johnson:

So let me quickly give you the two arguments. Glass half empty and glass half full. So glass half empty looking at our figures that you guys put together. So half empty is ad revenues were more than cut in half going from, this isn't to do exactly with the user base, but it is reflective of the user base because if people go away, the dollar's going to drop. So ad revenues more than cut in half going from 2.4 billion to 1 billion from 2022 to 2023. Two, we expect time spent on the platform by users to fall 25% from 2022 to 2026. And three, we estimate that the US users will fall from 60 million to 50 million during that same timeframe, 2022 to 2026. So that's glass half empty.

Glass half full. One, X appears to have stemmed the bleeding when it comes to ad dollars. We think they're going to make about a billion dollars each of the next few years. Two, by 2026, we still expect users to spend 27 minutes per day on the platform. And three, Gen Z is sticking around for the most part. So people are leaving but that cohort seems to be for the most part, staying.

Ethan Cramer-Flood:

We should also qualify that all the numbers we've referenced are US numbers.

Zach Goldner:

Yes, good point.

Ethan Cramer-Flood:

And you'll often see in articles about this, they're talking about global figures. Of course Twitter has a long, long legacy of a lot of users and Threads is still relatively new. So you're going to see numbers in the hundreds of millions and you're going to see different revenue numbers, but I think the trends still maintain, but that's why you might see different things depending on where you're looking.

Marcus Johnson:

Yeah.

Zach Goldner:

And for X ad revenue in 2024. That factors in a little bit of political ad spending happening this year for a little bit of the reason for the slight rebound.

Marcus Johnson:

True. All right, gents, count the scores. Drum roll. Zach is this week's winner of the game of the week. For the love of God, don't get the hat.

Ethan Cramer-Flood:

This is just because he said he had the hat. No, he wants to see the hat.

Marcus Johnson:

Please leave it.

Oscar Orozco:

What is going on here?

Ethan Cramer-Flood:

Clearly this is a

Marcus Johnson:

Oscar-

Zach Goldner:

I want to do it for the fans.

Ethan Cramer-Flood:

He's subconsciously gave you the win because he wants to see the hat.

Marcus Johnson:

Zach seven, Ethan six, Oscar five. Oscar probably a foreshadowing of this upcoming Fantasy Football season.

Oscar Orozco:

What is going on in here?

Zach Goldner:

Tough.

Oscar Orozco:

Was it just because Zach came in with all the crazy ideas and that's what won it for him?

Marcus Johnson:

Pretty much.

Zach Goldner:

It was my puns.

Oscar Orozco:

Is that what it is?

Marcus Johnson:

I felt bad for him. Yeah, actually your extension of the metaphor was really what won it for you. But congratulations to you. You win the championship belt. Anyway, let's move on to our final segment of the day. It's dinner party data. This is the part of the show where we, hopefully quickly, tell you about the most interesting thing we've learned this week. We start with the winner, the game of the week, Zach, go.

Zach Goldner:

Since everyone thinks that I use ChatGPT-

Marcus Johnson:

For everything.

Zach Goldner:

For my answers and all my puns, I want to use a dinner party data about ChatGPT and the power that it uses. So a normal ChatGPT query takes about 1600% more energy than that of a Google search query. So you think about that when you add it all up, but how much more of a footprint that's going to have than crypto? At the moment, what I've read is ChatGPT itself uses around 17,000 times more electricity than the average US household in a day. And if you were to compare it to that of the energy intake of different countries, it will make up or it's already surpassed a yearly power intake of countries like Guatemala and Croatia. And I've heard even bigger than that too.

Marcus Johnson:

All right, there were some good ones though. Some interesting facts. Oscar. No, you came third. Ethan.

Oscar Orozco:

I see that makes sense. It makes sense and I'll explain why in a second.

Ethan Cramer-Flood:

I got a brief history nugget for you. So I was in Canada last week on vacation. Shout out Canada by the way. I was in Montreal and a beautiful city. Turns out Montreal was for a brief period of time, the capital of Canada, did not know that. Capital being Ottawa, for everyone out there who's trying to remember in their head what the capital of Canada is. Montreal was very briefly the capital in the 1840s back when it was still under British rule, but it was only for about five years and they lost their position as the capital because there were riots in the city and they burned down their own Parliament building. And then after they burned down their own Parliament building, the government resettled across the street on the second floor of this agricultural market. And when Queen Victoria heard about all this, she said, "All right, no, you burned down Parliament and now the seat of the government is on top of a farmer's market. You guys are out. You lost it."

Marcus Johnson:

She said, "You ruined it."

Ethan Cramer-Flood:

And this is according to our tour guide in the history district of Old Montreal. So if I'm playing fast and loose to the details, whatever. So she was just like, "You blew it, you've lost your privileges, you guys cannot handle being the capital." And she moved in on out of there and then they landed in Ottawa and there it remains. So Montreal had a shot and they just blew it.

Marcus Johnson:

Had a chance. Ruined it, man.

Oscar Orozco:

Canada's loss.

Zach Goldner:

Queen Victoria must have never had that poutine.

Ethan Cramer-Flood:

I'm telling you.

Oscar Orozco:

Also is this data?

Ethan Cramer-Flood:

I was told that this is dinner party anecdotes.

Oscar Orozco:

It wasn't that. I think in 1840.

Ethan Cramer-Flood:

Yeah, the data is 18, like 44 to 49. Boom.

Marcus Johnson:

Very nice.

Ethan Cramer-Flood:

Numbers.

Marcus Johnson:

Oscar, you're up.

Oscar Orozco:

All right, well I think this is a perfect order. I think you're going to talk about travel markets.

Marcus Johnson:

Yep. Vacation culture.

Oscar Orozco:

Perfect. Amazing. Well here we go. I've done a bit of traveling this summer.

Marcus Johnson:

Not too much.

Oscar Orozco:

I was reading that airlines are struggling, that prices are up. But I noticed tons of travelers, tons of people still flying, which is not what I was reading about before. So I just wanted to look into airline prices and things like that. So prices for airline tickets, they've actually decreased about 7% and this was just a March to March number, March 2023 to 2024. So they've been decreasing, however, they're still up slightly compared to pre-pandemic prices. So March 2019 to 2024, they're up 2.6% specifically. So prices are still a little bit high, but they're not that bad, which could explain why people are traveling a ton.

But why are they struggling? Well jet fuel prices are while they're down, they're still 34% higher than in 2019. Also, there are serious airline staffing issues. So if you're flying, be nice to all the staff please. And demand has started to come down just a little bit. So I think the margins are just a little bit tight. But aside from that, I also found just a couple really interesting stats. Let's see if you guys can guess. But just in terms of what is the most expensive city and the least expensive city to fly out of in the US, and this according to Q4 2023 data from the Bureau of Transportation Statistics. So any guesses on the most expensive city to fly out of in the US, guys?

Ethan Cramer-Flood:

How do they even calculate that? I don't know.

Oscar Orozco:

Probably the OTAs.

Ethan Cramer-Flood:

Is it a small town? Because there are fewer options.

Oscar Orozco:

Yeah, it's a weird-

Ethan Cramer-Flood:

Or is it about the airport?

Zach Goldner:

Jackson Hole.

Oscar Orozco:

You might be onto something there, Ethan.

Ethan Cramer-Flood:

Well, New York City has outrageous airport fees-

Oscar Orozco:

But it's not them.

Ethan Cramer-Flood:

But they also have a million ways to fly out of it. So it wouldn't be New York. I mean you can get out of here for 100 depending on what you want to do.

Oscar Orozco:

Think more exotic.

Ethan Cramer-Flood:

Honolulu.

Oscar Orozco:

Close. It's actually Guam.

Ethan Cramer-Flood:

Guam. Come on.

Oscar Orozco:

Which does count. $1,500 an average ticket costs. That's why people don't go there. And the cheapest is the last of it guys.

Zach Goldner:

Vegas.

Oscar Orozco:

No, I think it's where you fly out of Zach. Fort Collins. Is that where you are?

Zach Goldner:

No, I don't fly out of Fort Collins.

Oscar Orozco:

Is that close enough? $83 a ticket. Well you should, Zach.

Ethan Cramer-Flood:

We don't have our Colorado geography figured out.

Oscar Orozco:

You should. It's cheap. All right, that's it for me. Go ahead, Marcus.

Marcus Johnson:

Very nice. All right. Yeah, that kind of dovetails quite nicely with the state of America's vacation culture. So I've got a bunch of stuff here for you. We'll get through it as quick as I can. Let's do it. Number one, Americans struggle to unplug according to LinkedIn's latest workforce confidence survey. 51% of US employees planned to take time off and unplug this summer. 59% of vacationers report checking in with work by answering emails or phone calls. For younger folks, it's closer to 40% of them. 35% of employees feel guilty taking time off at all. And in a separate Harris Poll survey, 78% of US workers aren't using all of their PTO. 75% wish they were able to.

Second thing here, for one reason or another, lots of workers are just unplugging during work. 56% of younger generations, so Gen Z and Millennial workers report participating in the trend of quiet quitting. And one issue is Americans don't get enough time off to recharge. US workers get an average of just 12 days of paid time off per year, with 11 getting used according to a recent global survey from Expedia. By contrast, workers in France get three times as many days off with an average of 31 days off a year taking 29 of the 31.

Oscar Orozco:

Just awful.

Ethan Cramer-Flood:

That's how we roll.

Marcus Johnson:

Just awful. So really quickly, the why. The Harris Poll shed some light on this. So the top barriers preventing workers from taking more time off were pressure to always be available and respond to demands and heavy workload. Half of folks get nervous when requesting time off from their employer. Let me end with this. Two ways companies can help. One, three-quarters of workers said they wish their workplace culture placed a stronger emphasis on the value of taking regular breaks and utilizing paid time off. And two, companies might want to prioritize time off a little more, especially since it's the third most important factor, time off, when considering a new job. Nearly as important as healthcare, obviously money's one, then healthcare, but close behind that is time off. But time off is more important than workplace. So remote work policies, culture and child care opportunities.

Oscar Orozco:

Powerful stuff.

Marcus Johnson:

You guys need more days, not you Oscar, you just work.

Oscar Orozco:

Work is better.

Zach Goldner:

His new time off.

Marcus Johnson:

Oscar's playing fast and loose with this unlimited vacation policy. That's all we've got time for today's episode. Thank you so much to my guest. Thank you, of course, to him, to Oscar.

Oscar Orozco:

Thank you very much. Happy to be on, Marcus.

Marcus Johnson:

Yes, sir. Thank you, of course, to Ethan.

Ethan Cramer-Flood:

Good to be back. I mean, we took so much vacation this summer-

Marcus Johnson:

I know.

Ethan Cramer-Flood:

That's why we haven't been here as much.

Marcus Johnson:

Two months, I been trying to get you back in the show. Congrats to our winner of the game of the week, Zach.

Zach Goldner:

Thanks. And I think I'll be requesting my time off right after we end this right here.

Oscar Orozco:

You're not getting it, just saying.

Marcus Johnson:

Thanks to Victoria who edits the show. Stuart runs the team. Sophie does our social media. Lance runs our video podcast. And thanks to everyone for listening in. If you have a few seconds, would you mind writing us a review please? They really, really do help us keep this podcast going. We hope to see you on Tuesday though, for the Behind the Numbers Daily, an eMarketer podcast. Because of the long weekend, we hope you enjoy your long Labor Day weekend.