


The Daily: Mobile time spent nears a pivotal point, paying with smartphones, and how many folks use generative AI

Audio



On today's episode, we discuss a milestone for digital video, why TV lovers still love their TVs, and the relationship between digital audio and social networking. "In Other News," we talk about how many US shoppers use their phones to pay for things at the register and how many generative AI users there are in the US. Tune in to the discussion with our forecasting writer Ethan Cramer-Flood.

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Episode Transcript:

Marcus Johnson:

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Ethan Cramer-Flood:

Mobile has accounted for well over 50% of our daily time with digital media. And that inexorable sweep of conquering all aspects of our lives seemed to be unstoppable, until we all got really, really into these CTVs.

Marcus Johnson:

Hey, gang. It's Tuesday, July 18th. Ethan and listeners, welcome to the Behind the Numbers Daily, an eMarketer podcast made possible by Verisk Marketing Solutions. I'm Marcus. Today I'm joined by our Principal Forecasting Writer, based in New York. His name is Ethan Cramer-Flood.

Ethan Cramer-Flood:

Heyo.

Marcus Johnson:

Hey fella. Welcome to the show. In today's fact, there are more trees on earth than there are stars in our galaxy, the Milky Way. Eight times as many, in fact. There are an estimated 3 trillion trees on Earth versus 4 billion stars in the galaxy. That's galaxy, remember, not a universe. So there are more in the universe. But yeah, that means there's 400 trees for every person on the planet. So you get 400 trees just to yourself, Ethan.

Ethan Cramer-Flood:

Who fact checks this?

Marcus Johnson:

The stuff that I come up with? No one, thank goodness.

Ethan Cramer-Flood:

I don't doubt, I'm not saying this number is wrong. I'm just saying that's a tough one to crosscheck.

Marcus Johnson:

We're never having you on The Daily again. No one's ever said that before. "Is this real? Where are you getting this stuff?"

Ethan Cramer-Flood:

I'm not doubting you. I'm just saying like, did somebody counts the trees?

Marcus Johnson:

Yeah.

Ethan Cramer-Flood:

Good fact. Good fact.

Marcus Johnson:

Someone probably should fact check this. So 20% of all trees in Russia, 11% in Canada, 10% in Brazil, and 8% in the US. Those four countries, Russia, Canada, Brazil, and the US, account for half the trees on the planet. And finally, trees are only 400 million years old. So they've not been around for 90% of the Earth's history. Just trust me on all this, okay? Please don't go look up on the internet because I might be wrong. Anyway, today's real topic, where people spend their time with media.

In today's episode, first in The Lead we'll cover where people spend their time with all different kinds of media, TV, radio, print, smartphones, computers, connected TVs, and more. Then for In Other News, we will check in on how many Americans use their smartphone to pay for things at the register and how many folks are using generative AI.

But we start with The Lead, of course, and we're talking about how people spend their time with media. Ethan's just recently finished writing some research on this to figure out how it's been changing, how people's time spent with media has been changing. And so, Ethan, let's start top level. So from 2019, pre-pandemic, to 2020, so from 2019 to 2020, the amount of time we spent with media increased, jumped by an hour, going from 11 hours a day to 12. It's since sustained that water level of 12 hours a day and moves by a minute or two per year, but

really has sustained at those 12 hours per day that we spend with media. And we should explain for the listeners, we count media is if you're on your smartphone whilst you're watching TV in the same hour, it's an hour for smartphone, it's an hour for TV. So that's how it's counted 12 hours a day we spend with media. But if we zoom in a level, Ethan, how much of that time is digital and how much of that time is spent with traditional media?

Ethan Cramer-Flood:

Yeah, thanks, Marcus. That's a great introduction to this new report. This is basically my report on the forecasting team's amazing new work for US Time Spent in Media 2023. And, yeah, actually cut to the heart of two of the maybe the biggest top line stories. One is that boom that you referenced from the pandemic leading all of us to spend a lot more time with our screens and media because we were inside. And then the question following that was are we all going to go back to normal after the pandemic or not? And indeed, as you stole my thunder. People have not gone back, right? We didn't remove-

Marcus Johnson:

Sorry.

Ethan Cramer-Flood:

No, no, that's all right. That's all right. There's lots of thunder to go around.

Marcus Johnson:

This is what happens when you question my fact of the day, as you should have.

Ethan Cramer-Flood:

I got more thunder saved up. So, yeah, indeed, we did not return to 2019 behavioral norms in terms of how engaged we are with our media, particularly our digital media. Which segues into your next question, which is how much of all of this is spent with digital? And that is often the featured element of our work. That's what folks care about. So the total number this year will be 12 hours and 11 minutes per day, per person, per adult in the US, a staggeringly large amount of time. And of that, we are getting very close to the two-third mark in terms of how much of it is with digital media versus how much of it is with traditional media. So that adds up to about seven and a half hours, seven hours and 34 minutes to be specific, of that 12, 11 per

day will be spent with digital, leaving a little over four and a half hours for traditional media, which means traditional linear television, newspapers, radio, and a handful of smaller things.

Marcus Johnson:

Yeah.

So we did digital, that's the story, digital just more and more and more dominant. Still growing, still more per year, however, the total time spent with media, as you also mentioned, has become stagnant. That's not really growing anymore. We haven't squeezed any more time out of the day to spend with media, 12 hours plus seems to be enough. But the ratio is changing. Digital continues to take more.

Marcus Johnson:

Right. I think if we put our minds to it, we could. Come on, folks. There's definitely more media time we could be gobbling up.

Ethan Cramer-Flood:

Why are you sleeping?

Marcus Johnson:

Step it up, America. Well, yeah, to your point, digital's still growing. It's going to steal 20 minutes from traditional over the next two years. And what's fascinating is that digital traditional time split was roughly 50-50 as recently as 2019.

Ethan Cramer-Flood:

Yeah.

Marcus Johnson:

Your research notes. And now it's two-thirds to digital, one-third to traditional. When you look at time spent with media, you note that mobile, a huge part of digital, most of it, remains dominant, but a pivot point is approaching. How so?

Ethan Cramer-Flood:

Yeah, this is one of the interesting findings that's around the corner and indicates how at least one particular major change is happening just in the last few years. And that change has less to

do with mobile devices themselves and more to do with the competition, which in this case is connected TV, CTV, right? So this forecast package, just to put this in context, we estimate time spent with media across a whole bunch of different channels and varieties. So we're looking at activities and platforms. How much time are you spent doing something or watching a Netflix or playing games or watching? And then we also take a look at it by devices and formats. So in this case, it's the actual machine. What type of screen? The little screen in your hand? The medium-sized screen on your desk? The large screen in your living room? And whether or not those are digital or analog. So also your radio and your traditional TV.

So mobile, to answer your question, I don't think anyone would be surprised that just our phones, our smartphones that we and everybody else stare at all day long and are addicted to, has for a very long time just been sucking up more and more and more and more of our attention. That's all entirely true. And for many years now, mobile has accounted for well over 50% of our daily time with digital media. And that inexorable sweep of conquering all aspects of our lives seemed to be unstoppable, until we all got really, really into these CTVs, these giant screens that are hanging on our living rooms and we can sit on the couch and watch. And that increasingly now is a digital media channel. Because obviously we're also using those giant screens in our living rooms to watch linear cable television and traditional television, that's a different thing. But just within the CTV element, that is now super digital with all those streaming services.

And because of how increasingly successful that has become, we're spending more and more and more time on the couch watching the big screen like we used to do for most of our technological media history. We're back to doing that a lot more. And because of that, this is my long, I've come to the answer, our mobile phones will, I think as of 2025, mobile phones will account for less than 50% of all of our daily digital media time.

Marcus Johnson:

Wow.

Ethan Cramer-Flood:

So they're becoming a minority element. Now that does not mean that we're not still staring at our phones. We're still going to be looking at them for four hours a day. They're not declining.

Marcus Johnson:

Right.

Ethan Cramer-Flood:

It's just that the amount of time we're spending with the big screens are increasing.

Marcus Johnson:

Right. By 2025, 4 hours a day with mobile devices. That's compared to about two hours and 40 minutes with traditional TV, about two hours, 10 with CTV. And so between mobile, traditional TV, and CTV, that's 75% of our media time spent between those three different types of media. Let's talk about another milestone. In your report you point out that digital video has reached a milestone. What's the milestone?

Ethan Cramer-Flood:

Yeah. So this is another one that we saw coming for a long time and no one's going to be surprised, but it's interesting that it's here. Digital video, in all its formats and across all devices, has overtaken traditional television. So some people might even be surprised to actually hear that that hadn't happened yet. We've been hearing about the demise of traditional linear television for a very long time. We've heard about cord cutting, for a decade people have been talking about it. But the fact of the matter is people still spend a lot of time watching regular old-fashioned TV.

But as of last year, according to our new calculations, the pivot point occurred, and we now spend more time per day watching digital video. And again, this is across our CTVs and our mobile phones, our tablets, our desktops, whether you're watching a digital video short form on something like TikTok or YouTube, whether you're watching Netflix, all of that stuff all put together, now for the first time adds up to more time than people spend watching regular TV. And this pattern has come really quickly and it's going to keep right on going. Television is losing a significant amount of time every single year, and digital video is gaining a significant amount of time every year. So the pivot point just happened, but pretty soon digital video is going to be way out in front.

Marcus Johnson:

It's moving quick. That's what jumps out to me. So like you said, last year, digital video and TV were neck and neck with just three hours a piece, just over. Now, just a year on, people are already spending nearly 30 more minutes with digital video than TV, and by the following year,

2025, it'll be an hour more with digital video versus TV. Something else that jumped out to me as well, nearly half of all digital time, that seven and a half hours, nearly half of that spent with video, three and a half hours, and 50% of that digital video time spent on CTV, to your point about people gravitating more to seated to the couch.

Ethan Cramer-Flood:

Right. More time with digital video on CTV than on our mobile phones.

Marcus Johnson:

Yeah, mobile, 40%, computers just 10. Let's talk about TV's a bit more, Ethan. So this year, less than half of US households, 46%, had pay TV, think cable. So less than half of US households have cable. And by 2027, just one-third of US households will. Yet in your report, you note that TV lovers still love their TVs. How so?

Ethan Cramer-Flood:

TV lovers love their TVs. Those who have not cut the cord, or just use antennas, broadcast TV, they love their TV so much that they really bring up the average because they watch it so much per day that they are buttressing TV's overall metrics because, as you mentioned, a lot of people just don't watch it at all.

Marcus Johnson:

Yeah.

Ethan Cramer-Flood:

So we're showing that among people who still have not cut the cord or otherwise somehow are still watching linear TV, which is still a lot of people, they watch TV for over four hours a day, four hours and six minutes. So when you look at it in terms of active viewers, this remains the single most popular individual thing that we track, old fashioned TV. Now, you mentioned that 50% of households don't even have a traditional cable TV anymore. That's true. With this is more along lines of individual people that qualify as a TV watcher or not a TV watcher. So even though your household might not have cable TV, you still might qualify as a TV watcher, as long as you watch a TV once a month somehow some way. And then that'll also broadcast free TV.

Marcus Johnson:

Yeah.

Ethan Cramer-Flood:

So by this way of thinking, 30% of the population is zero, 30% of America. That still seems like a really big number to me, 30% of people will watch essentially no television.

Marcus Johnson:

Wow.

Ethan Cramer-Flood:

But 70% do. And as you mentioned, 50% of households or less or fewer now. So those folks that do are four hours and six minutes a day, which is still double almost any other individual activity that we track, digital, traditional, or otherwise.

Marcus Johnson:

Right.

Ethan Cramer-Flood:

So that's one of the takeaways, and it will continue to be a takeaway. It's like TV is still a big deal, y'all. Still a really big deal.

Marcus Johnson:

Yeah. I mean, one of those things you said, you mentioned that it's double, is SVOD services like Netflix and Hulu. So Americans still spend twice as long watching traditional TV as they do watching SVOD services, think Netflix, think Hulu, Prime Video, and they spend twice as long watching traditional TV as they do with either digital audio, digital gaming, digital video, as well. Ethan, to wrap up The Lead, what's one surprising trend from this report we've not talked about that you really weren't expecting to dig up?

Ethan Cramer-Flood:

Well, I'll give you an answer of something that I perennially find to be interesting. I can't say that anything was super surprising because our forecast team does a great job.

Marcus Johnson:

Right.

Ethan Cramer-Flood:

This is the third or fourth year in a row that I've written this report. And our forecast team does a great job, which means that all the stuff that we talked about last year that was going to happen this year?

Marcus Johnson:

You see it coming.

Ethan Cramer-Flood:

We do see it coming, right?

Marcus Johnson:

Yeah.

Ethan Cramer-Flood:

So that's our job. Our job is to not be surprised. We already know the trends that are here. So I will highlight though, every year I am reminded and surprised by what an enormous amount of time everybody spends with audio.

Marcus Johnson:

Yeah.

Ethan Cramer-Flood:

Audio just did not get talked about very much.

Marcus Johnson:

Fascinating.

Ethan Cramer-Flood:

The radio is still incredibly popular and people spend a lot of time with it. And then of course, digital audio, the Spotifys of the world, incredibly popular. Both of these things rank very, very highly. Among users digital audio gets one hour and 52 minutes a day. And for radio listeners,

those who actively listen to the radio, it's one hour and 41 minutes a day. But those are also both very, very popular activities, like the majority of people do both of those things so even their metrics among the whole population are very big. I think it's something like 80 minutes for one and 80-ish minutes for the other. And then of course, those are not mutually exclusive categories because plenty of people listen to the radio a little bit and listen to digital audio. So when you add it up together, it gets to be a really big number.

And this is sort of a big chunk of the day that I don't think gets nearly as much attention from marketers and advertisers. Some of these folks are hard to reach. Advertising on the radio is hard to demonstrate your ROA compared to advertising on social media or whatever. Some digital audio is not available because people pay for the ad free tiers.

Marcus Johnson:

Right.

Ethan Cramer-Flood:

But it's just a lot. It is a big, big chunk of the time is taken up with audio, and that is something that every year I'm reminded of when I do this report.

Marcus Johnson:

That jumped out to me as well, yeah. Digital audio listeners, you point out, will spend more time per day with digital audio than social network users will with social media. However, you point out digital audio will claim just 2% of the US ad spending this year, 10 times less than socials 20% share. That's all we've got time for The Lead. Time now for The Halftime Report.

So Ethan, in this segment, I'm going to ask you for one thing you think is worth repeating, most worth repeating, from the first half.

Ethan Cramer-Flood:

To me, the most interesting or important thing for folks listening this to remember to latch onto is the CTV story in general and particularly that far more of our daily digital video consumption time now takes place via CTV than does on smartphones. And that metric has ramifications when you think about social media time versus the time that we're actually spending in front of the big screen watching either TV in a digital fashion or a streaming service. People actually interact with digital media in probably ways that a little bit different

than society thinks given this impression that we're all just staring at our phones, scrolling through social media. That's not actually it. We're really staring at these CTVs now.

Marcus Johnson:

Ethan's full report is called [US Time Spent with Media Forecast 2023](#). You can head to [insiderintelligence.com](#) to get access to that. Or, as usual, there is a link in the show notes. That's it for The Lead. Time for the second half of the show. Today In Other News, how many Americans use their smartphones to pay for things at the register and how many folks are generative AI users?

Story one, how many Americans use their smartphones to pay for things at the register? 106 million people over the age of 14, or 38% of that population. In 2019, it was just 22%, so half basically, according to our forecasting team. They also break down the numbers further by age, by platform, and by transaction value as well. But, Ethan, what to you is most interesting number from this recently updated forecast and why?

Ethan Cramer-Flood:

Yeah, you kind of hit them already by that share population number. I don't know what everybody else's memories are of when this technology started to roll out. It was not that long ago when those boxes started to appear in stores and I and many other people were wondering if this was going to catch on. In places like China, it has been huge for ages, but here there was a lot of skepticism. Are people really going to do this? But look, we're already well over a third of the population is doing this all the time. It's going to be up to 130 million people by 2027. We're getting close to half. Among smartphone users, it's going to be, yeah, it's just about 50% by 2027. So this has worked. I mean, everybody's doing it. It's changed the way that we relate to stores, it's changed the way we check out. We can call this a success story. There were some doubts that if it was going to catch on. This has clearly caught on and it's just growing and growing and growing.

Marcus Johnson:

Yeah, the thing jumped out to me, Apple Pay users so far out in front, nearly 60 million Apple Pay users. And second place is Starbucks mobile app and Google Pay with about 35 million each. So way, way, behind. And then Samsung Yay even further behind with about 14 million folks using that.

Story two, how many folks are generative AI users? In some brand new estimates our forecasting team thinks the close to 80, 8-0, million Americans are generative AI users. Last year, just 8 million were. So from 8 million last year to 80 million by the end of this year, and climbing to a 100 million by next year. That's 30% of the population. But, Ethan, what to you is the most interesting number from this brand new forecast on generative AI users and why?

Ethan Cramer-Flood:

Yeah. Big shout out and congrats to my team. This is the first time forecast. Super exciting. Everyone should go check it out. There's nothing hotter, no hotter topic right now, than generative AI. And this is all generative AI users, not just ChatGPT, although we do have ChatGPT as a subcategory.

For me, the most interesting element of this forecast package is a sub forecast called at work users. How many people are using generative AI professionally, in the professional environment? That figure we've got at 45 million out of the total, which as you mentioned is getting close to 80 million. I find the at work number to be fascinating because it seems to me this is more the number that is going to stick as opposed to people that are just experimenting with it because it's interesting, students that are using it to cheat. The people that are using it at work are going to be the revenue source for these companies going forward. And they're the folks that are more likely to sort of keep this as a sustained part of our technology culture as opposed to the folks that are just playing around. So that's at 45 million, heading up to 80 million in a couple of years, obviously.

Marcus Johnson:

Yeah.

Ethan Cramer-Flood:

These numbers are going really well no matter how you slice them.

Marcus Johnson:

That jumped out to me as well. Nearly 60% of gen AI users in America would have used at work by the end of 2023. In two years an even greater 70% will be using gen AI at work. That's all we've got time for this episode. Thank you, Ethan, so much for hanging out today.

Ethan Cramer-Flood:

My pleasure. And I'm getting out of here right now to go on vacation. So this is-

Marcus Johnson:

Yes.

Ethan Cramer-Flood:

This is a great sendoff.

Marcus Johnson:

Amazing. Well, enjoy it. Looking forward to when you come back. Thanks to Victoria who edits the show, James who copy edits it, and Stuart who runs the team. And thanks to everyone listening in to the Behind The Numbers Daily, an eMarketer podcast made possible Verisk Marketing Solutions. Tune in tomorrow to hear Sara Lebow, Andrew Lipsman, and Blake Driesch break down the biggest takeaways from this year's Amazon Prime Day shopping event.

So it's just a quick takeaway for the listeners from one of the points you made.

Ethan Cramer-Flood:

I was 100% going to talk about the trees, so I have to talk about the, sorry about the report.

Marcus Johnson:

That is the most interesting thing. Why do we even bother with spent with media?

Ethan Cramer-Flood:

I don't know.

Marcus Johnson:

Ethan's point is 400 trees belong specifically to him, so don't touch them.