

# TRENDS



**InView**  
**Q3 2018**



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# Advertising & Marketing

- ▶ Advertising agency holding companies are increasingly creating customized, single-client units in response to clients' desire to deal with a simplified agency structure and offering. This team solution model also helps agencies compete with consultancies which largely market with a single brand. *(Source: Ad Age, June 12, 2018)*
- ▶ The World Federation of Advertisers reports a recent survey of multinational brands found 74% are reviewing their current agency relationship. Nearly 60% of brands want to reduce the number of agencies with which they work. *(Source: Marketing Dive, June 13, 2018)*
- ▶ The U.S. podcast advertising market had an estimated size of \$313.9 million in 2017, an 86% jump from the prior year. Podcast advertising is growing as more Americans listen to podcasts. An estimated 44% of people age 12 and older in the U.S. have listened to one, up from 40% last year. *(Source: MarketingCharts, June 18, 2018)*
- ▶ Global advertising revenues are projected to grow more this year than previously predicted. A new forecast pegs 6.4% growth to \$551 billion, up from an expected 5.2% for the year. Digital media accounts for almost half of this year's growth and the segment – which includes display, video, search, and social – will grow 16% to \$250 billion. This is a slight slowdown from last year's 18% growth rate. Facebook and Google together will see revenues rise a predicted 31%. While large advertisers may be pulling back, small and local businesses are making up the difference and then some. *(Source: The Wall Street Journal, June 18, 2018)*
- ▶ Procter & Gamble set a goal of having half of its television commercials directed by women by 2023. Currently, women direct only 10% of commercials. The advertiser also signed a "Free the Bid" pledge which aims to include at least one female among the finalists for director for every commercial. P&G hopes their commitment will encourage others to promote gender equity in the world of advertising. *(Source: CNN Money, June 18, 2018)*
- ▶ A new report, based on research with more than 190 marketers, contends the next generation of Chief Marketing Officers will need to shift from building brands and experiences to directing long-term, sustainable growth through identifying opportunities for expansion, acquisition, and distribution. *(Source: WARC, June 19, 2018)*
- ▶ Using data from hundreds of global digital publishers from over six years, a new analysis finds 32% of ad clicks overall came from robot traffic, down from 85% in April 2017. U.S.-based publishers have the smallest percentage of bots in their overall traffic. *(Source: Martech Today, June 22, 2018)*



- ▶ Attendance at Cannes Lions Festival of Creativity was reportedly down 20% to 25% this year. The number of both paid and unpaid festival goers was lower than in past years. The number of overall entries into the awards competition was also significantly less from 41,170 submissions in 2017 to 32,372 in 2018. Possible reasons for the decline include Publicis' decision to send only 84 employees this year, WPP cutting its attendance in half to 500, and more marketers staying in the area for meetings and networking but not purchasing festival passes. (Source: Adweek, June 20, 2018)



- ▶ Out-of-home advertising revenues increased 2% between the first quarter of 2017 and the first quarter of 2018, the largest hike since the fourth quarter of 2016. This marks the eighth straight year of growth for out-of-home advertising. (Source: MarketingCharts, June 14, 2018)
- ▶ A comprehensive, global study of media advertising – both offline and online – projected the market through 2022. The report estimates online advertising to be a \$100 billion market in 2018 which will grow at a 7.7% compound annual growth rate (CAGR) to reach \$127 billion by 2022. Mobile is estimated to account for 61% of internet advertising revenues in the U.S. and that share is forecast to increase to 72% in five years. Mobile video will be the fastest-growing segment with a CAGR of 21.5%. Television advertising will grow at a compound annual rate of 1.3% from \$71 billion this year to \$75 billion in 2022. U.S. consumer magazine advertising will decline between 2018 and 2022 from \$16.4 billion to \$14.85 billion, an annual decline of 2.2%. Trade magazine advertising will grow slightly from \$4.24 billion to \$4.4 billion. Radio advertising in the U.S. market is also expected to be fairly flat with an increase from \$17.7 billion to \$18.4 billion over the period. Like consumer magazines, newspaper advertising will also decline from \$15.8 billion today to \$16 billion in 2022. While newspapers have the worst prognosis among traditional media, out-of-home has the best with a CAGR of 3.6% for an increase from \$9.65 billion to \$11.5 billion. Finally, some smaller segments which expect to see growth include video advertising from \$1.5 billion to \$1.8 billion, cinema advertising from \$920 million to \$1.02 billion, and podcast advertising from \$369 million to \$747 million. (Source: MarketingCharts, June 25, 2018)
- ▶ Spending on sponsorships have grown 41% since 2010 to \$24.2 billion in 2018. Despite spending more on sponsorships, companies report they have made little progress in measuring the return on their investment in sponsorships. They would also like to know how their sponsorship compares to paid media in terms of generating impressions. (Source: B&C, July 10, 2018)
- ▶ According to an international consultancy which tracks the advertising agency business, revenue from new business is up 36% in first half of 2018 to \$1.09 billion compared to \$691 million of new business awarded in the first half of 2017. Over 700 agencies won 3,401 new accounts during the period. Globally, new revenue for creative work rose 57% while media business was up 11%. Among U.S. agencies only, new business revenues for creative were up 88% and for media 70%. (Source: Adweek, August 6, 2018)



# Population & Culture

- ▶ During the economic recession of 2007 to 2009, college enrollment increased with 33% more students in two-year institutions in 2010 and 2011 as compared to 2006. As the economy began to recover, fewer people chose to leave the labor market to attend college and now enrollment in two-year colleges is 10% higher than it was in 2006. College enrollment is projected to increase 15% to 23 million by 2025 and the number graduating with a degree will also continue to rise. *(Source: US Census Bureau, June 2018)*
- ▶ Between 2006 and 2017, American civilians acquired 122 million new firearms according to a new survey. It is estimated there are more than 393 million civilian-owned firearms in the U.S., an estimated 46% of the world's civilian-owned firearms. *(Source: The Washington Post, June 19, 2018)*
- ▶ The Census Bureau reports in 26 states the number of deaths is greater than the number of births among the white population. The bureau previously projected the white population will drop below 50% of the country's total by 2049 but the demographic shift could occur sooner since white people are dying faster than assumed. For July 2017, the white, non-Hispanic population declined 0.02% or by 31,516 people over the previous year – the first time a decline has ever been reported. *(Source: The New York Times, June 20, 2018)*
- ▶ Almost 17% of counties in the U.S. experienced a decrease in median age between 2010 and 2017. Most of these counties were in the Midwest – especially in North Dakota, South Dakota, and Nebraska. Overall, the nation's median age rose from 37.2 years to 38.0 years during this period. The country is expected to continue aging through 2060 as Baby Boomers age and Millennials have declining birth rates. *(Source: US Census Bureau, June 21, 2018)*
- ▶ The US Geological Survey reports the amount of water used at home has fallen from 112 gallons per day in 1980 to 82 gallons in 2015, a 27% drop but still much higher than other developed countries in the world. The USGS attributes the decline to federal policies which established efficiency standards for in-home plumbing and water-using appliances. *(Source: The Washington Post, June 25, 2018)*
- ▶ The number of public school students in kindergarten through 12<sup>th</sup> grade granted accommodation plans doubled between 2010 and 2016. In some wealthy school districts, as many as 20% receive accommodations which is ten times the national average. Some high-poverty school districts report granting no accommodation plans. Increasing awareness and diagnoses of learning disabilities and mental-health issues is driving the higher numbers. A rise in accommodations for college entrance exams as well as in college and universities has also been noted. *(Source: The Wall Street Journal, July 3, 2018)*
- ▶ Researchers have determined that Baby Boomers age 55 to 64 are less social as compared to people who were the same age 20 years ago. Theories as to why this is include more working women, caring for aging parents, and the advent of social media. *(Source: The Wall Street Journal, July 18, 2018)*





- ▶ The fertility rate in the U.S. has continued to decline despite the economic recovery. Many reasons contribute to that decline according to a survey of Americans age 20 to 45. Among people who have children or plan to have children, about one-quarter have or will have fewer children than they want. Economic insecurity, greater gender equality, and time constraints are some of the factors at work. People who aren't planning on children – roughly one-quarter of respondents – cite more leisure time, concern about being a bad parent, and no desire for children for their choice. (Source: *The New York Times*, July 5, 2018)

- ▶ Edible insects are part of people's diets in many parts of the world and farmers cultivate nearly 2,000 different species for consumption. The value of the global market for edible insects is expected to triple between 2018 and 2023 – In North America, it will grow from \$44.1 million to \$154 million over this time period.

(Source: *Statista*, July 5, 2018)



- ▶ An estimated 34.2 million people provide unpaid care to an older adult, about 95% of which are family. As more people age – there's an estimated 56 million people age 65 and older in 2020, up from 40 million in 2010 – fewer younger relatives are available to care for them because more adults never had children, had fewer children, or have children who live farther away than in the past. Friends, volunteers, and even ex-spouses are stepping in to fill the gap in family caregivers.

(Source: *The Wall Street Journal*, July 20, 2018)

- ▶ After bad experiences with rowdy bachelorette parties, some wineries, boutique hotels, and tour operators are prohibiting them. Complaints include loud singing and displays of inflatable "adult" gags. The businesses contend the parties clash with the establishment's ambience. Brides and their bridesmaids think the companies need to not take themselves so seriously.

(Source: *The Wall Street Journal*, July 27, 2018)

- ▶ Despite the fact both the number of restaurants and the amount spent in them has increased in the past decade, 80% of meals are prepared at home up from 75% in 1975. Restaurants, by offering more take-out and delivery options, are giving rise to the blended meal which consists of prepared foods purchased from a restaurant or supermarket supplemented by other foods from the refrigerator or pantry. Half of all restaurant meals are purchased to eat at home. (Source: *Forbes*, July 29, 2018)

- ▶ The percentage of Americans age 25 and older who completed high school or higher reached 90% in 2017, a record level. In 1940, only 24% of this population had completed four years of high school. (Source: *US Census Bureau*, July 31, 2018)

- ▶ Since Walt Disney purchased Lucasfilms in 2012 and revived the "Star Wars" movies with a new trilogy beginning in 2015, many fans have held weddings with a "Star Wars" theme. High demand for the services of other fans who dress up as stormtroopers, Imperial gunners, Darth Vader, and other characters from the movies to appear at the wedding (at no charge) has now exceeded supply disappointing some happy couples. Some local "garrisons" have decided not to do any weddings or birthday parties. (Source: *The Wall Street Journal*, August 1, 2018)



- ▶ In 1998, to mark the 135<sup>th</sup> anniversary of Battle of Gettysburg, an estimated 30,000 re-enactors performed in front of a crowd of 50,000. This year, for the 155<sup>th</sup> anniversary of the Civil War battle, 6,000 re-enactors were present. Longtime hobbyists are retiring and younger enthusiasts are not replacing them. Reasons for the decline include societal changes, rising expense of costumes and props, and video games. *(Source: The New York Times, July 28, 2018)*
- ▶ Both national and state parks are seeing record crowds. The National Park Service reported a 20% increase in visitors between 2009 and 2017. Some parks are considering limiting the number of visitors or the areas that can be accessed. Maryland reported the number of visits to its state parks rose 40% since 2009 to 14.5 million. Rangers had to close the gates 122 times last year due to reaching capacity at a park, up from 54 in 2009. *(Source: The Washington Post, August 13, 2018)*
- ▶ In 2017, U.S. airlines transported 784,000 pets, a 11% increase. The number of service animals increased 24% to 281,000 and the number of emotional support animals jumped 56% to 751,000. Airlines now require documentation that emotional-support animals are healthy and trained. Some airlines also require certification of the need for an emotional-support animal. Delta says it carries 700 emotional-support animals and service dogs on flights every day, up from 450 in 2016. The number of related incidents, e.g. barking, biting, urination, has increased 84% during the same period. The increase in emotional-support animals may be a result of travelers seeking to avoid fees of up to \$125 for traveling with a pet or to allow a larger size pet in the cabin. *(Source: The Wall Street Journal, August 8, 2018)*



## Economy & Finance

- ▶ The Bureau of Labor Statistics reported the percent of American workers who are not traditionally employed, i.e. independent contractors or temporary workers, shrunk from 7.4% in 2005 to 6.9% in 2017. The findings suggest labor force changes may be greatly affecting certain industries such as transportation, where the number of independent contractors shot up 50%, and business/professional services but is having little overall effect. *(Source: The Washington Post, June 7, 2018)*
- ▶ The Federal Reserve reported Americans' household net worth, defined as the value of all assets minus liabilities, rose by 1% in the first quarter of 2018 to a record \$100.768 trillion. Household net worth was 683% greater than disposable income, well above pre-recessional levels of 650% recorded in 2006. *(Source: The Wall Street Journal, June 7, 2018)*
- ▶ During the first quarter of 2018, private-sector bonuses not directly tied to output accounted for 2.8% of worker pay and benefit costs in the first quarter, the highest level since the Labor Department began tracking it in 2008. The upward trend reflects businesses giving more short-term bonuses for retention and morale rather than increasing wages permanently. *(Source: The Wall Street Journal, June 15, 2018)*



- ▶ Last year, applications for Social Security disability benefits fell to its lowest levels since 2002 and are running at an even lower rate this year. A strong economy is pulling people back into the job market as employers are more accommodating to those with modest disabilities. Also, eligibility standards have been tightened which may dissuade some from applying. *(Source: The New York Times, June 19, 2018)*
- ▶ The ratio of retiree-aged adults (65+) to working age adults (18-64) was 19 to 100 in 1980. It edged up slightly to 21 to 100 by 2010. By 2017, it rapidly increased to 25 to 100 and is projected to be 35 to 100 by 2030 and 42 to 100 by 2060. The aging population, lower birth rates, and shifts in immigration are all factors in the top-heavy age distribution which will have long-term consequences on retirement entitlement programs such as Social Security and Medicare. *(Source: The Wall Street Journal, June 21, 2018)*
- ▶ Americans reaching retirement age are in worse financial shape than the previous generation. The primary reason is this is the first generation who had to manage their own retirement funds in 401(k)s and similar vehicles while their parents' generation had pensions to draw. Many did not save enough or made investing mistakes. Households with 401(k)s had a median of \$135,000 in tax-advantage retirement accounts in 2016 which would produce about \$600 a month in annuity income. Also affecting financial readiness for retirement Americans 55 or older are flat personal incomes since 2000 and increasing levels of debt. *(Source: The Wall Street Journal, June 22, 2018)*
- ▶ A little over one-quarter of a million Americans age 85 and older were working in the past 12 months. They are 4.4% of the age group, up from 2.6% in 2006. People are working longer as life expectancy lengthens, retirement plans shrink, and work becomes less physically demanding. At every age above 55, Americans are working or looking for work at the highest rates on record. *(Source: The Washington Post, July 5, 2018)*
- ▶ The U.S. economy grew at a seasonally and inflation-adjusted annual rate of 4.1% in the second quarter of 2018, the fastest pace since the third quarter of 2014. Higher levels of consumer spending, business investment, exports, and government spending contributed to the growth. *(Source: The Wall Street Journal, July 27, 2018)*
- ▶ Workers are choosing to leave their jobs at the fastest rate since the dot com boom in the late 1990s and early 2000s. The Labor Department reported 3.4 million Americans quit their job in April, which is approaching the peak for job leavers measured in April 2001. A strong economy and an unemployment rate of 3.8% have given workers confidence about changing jobs. The trend could drive wage growth as workers tend to get their biggest wage increases when they change jobs. In May, the average annual pay increase for job-switchers was 30%. *(Source: The Wall Street Journal, July 4, 2018)*
- ▶ The number of women-owned firms with employees in the U.S. increased 2.8% to 1,118,863 in 2016. Women owned approximately one-fifth of all employer businesses. About one-quarter of women-owned employer firms were minority-owned. *(Source: US Census Bureau, August 13, 2018)*



- ▶ Employers are broadening candidate pools for open positions to include those which may not meet preferred education and skill criteria. One staffing agency estimates 25% of the 10,000 companies they work with have made drastic changes to their recruiting process since the beginning of the year. In the first half of 2018, the percent of job postings requiring a college degree decreased from 32% to 30% and only 23% of entry-level jobs require 3 or more years of experience, down from 29% in 2012. At least one million new job openings did not require any experience at all. (Source: *The Wall Street Journal*, July 29, 2018)

- ▶ Due to tariffs, prices for U.S. steel is up 33% and aluminum is up 11%. Manufacturers who have begun to pass those price increases along to consumers include Boston Beer, Coca-Cola, Polaris, and Winnebago. In June, consumer prices rose 2.9% over the previous year which was the highest rate in six years. Producer prices rose 3.4% in June due to higher prices for energy, shipping, and metal. (Source: *The Wall Street Journal*, July 29, 2018)



- ▶ The share of construction workers age 16 to 24 declined 30% between 2005 and 2016. The occupation's inability to attract younger workers is a mystery as the job offers good pay and does not require higher education. The shortage of workers has meant fewer homes are being built. The number of construction workers peaked in 2010 at 10.8 million and fell to 10.2 million in 2016. More high schools are adding construction classes to train a new generation of workers. (Source: *The Wall Street Journal*, July 31, 2018)
- ▶ In June, wages and salaries for U.S. workers rose 2.8% from a year earlier, the strongest gain recorded since September 2008. From 2001 to 2007, wages and salaries increased 2.9% a year on average, well-above the 1.9% average recorded since 2009. However, inflation – which is running around 2.2% – is eating into some of the workers' gain. One analysis found after adjusting for inflation, today's average hourly wage has the same purchasing power as in 1978. (Source: *The Wall Street Journal*, July 31, 2018; Pew Research Center, August 7, 2018)
- ▶ The rate of people age 65 and older filing for bankruptcy is three times higher today than it was in 1991. Driving the increase in bankruptcies among seniors include declining income, older ages for full Social Security benefits, 401(k)s replacing pension plans, and more out-of-pocket spending for health care. (Source: *The New York Times*, August 5, 2018)

- ▶ Businesses are turning to high schools to partner on vocational training and career education programs which will help train future workers. Volkswagen is working with schools in Tennessee on engineering programs while Tesla is helping schools in Nevada develop advanced manufacturing classes. Electric Boat worked with one local high school in Rhode Island to teach students welding while CVS set up a program at another high school to prepare students to become pharmacy technicians. (Source: *The Wall Street Journal*, August 13, 2018)





- ▶ Profits at S&P 500 companies rose an estimated 23.5% in the second quarter, more than 2.5 times revenue growth during the same period. The gains in net income are due to a strong economy which is fueling demand and lower tax rates. Companies are also increasing prices to offset rising costs and keep profit margins high into 2019. *(Source: The Wall Street Journal, August 5, 2018)*

- ▶ In the second quarter, household debt rose \$82 billion to \$13.3 trillion. Total debt is now higher than it was in 2008 before the financial crisis. It was the 16<sup>th</sup> consecutive quarter of aggregate debt increases. *(Source: The Wall Street Journal, August 14, 2018)*

- ▶ The unemployment rate of Americans aged 16 to 24 who were looking for work in July was 9.2%, the lowest level in more than 50 years. The jobless rate for black youth increased slightly from 16.2% in summer 2017 to 16.5% in summer 2018. However, the share of young adults looking for work was well below its peak in 1989. The labor-force participation rate was 60.6% this year compared to the all-time high of 77.5%. Extracurricular activities and unpaid internships account for the decline in labor-force participation. *(Source: The Wall Street Journal, August 16, 2018)*



## Entertainment, Media & Sports

- ▶ For its 2017-18 season, the 67 shows which ran on Broadway brought in \$1.7 billion from 13.8 million theatre goers. Sales were up 14.4% while attendance rose 1.6%. The jump in revenues was due to dynamic pricing which varied prices based on demand. "Hamilton" accounted for nearly 10% of the gross at \$161 million followed by "The Lion King" at \$113 million. *(Source: The New York Times, May 30, 2018)*

- ▶ U.S. consumer spending on video games, systems, and accessories achieved a record \$36 billion in 2017. The bulk of the spending – \$29.1 billion – is for video games. Spending for this content rose from \$24.5 billion in 2016. *(Source: Statista, June 12, 2018)*



- ▶ A global poll of 74,000 people found the use of social media for news fell 9 percentage points from its 2017 level in the U.S. and even more – 20 points – among younger users. WhatsApp is gaining popularity in many countries as a way to receive news and comment in group discussions with friends. A decreasing number of Americans trust the media most of the time with 34% saying they do, down from 38% last year. *(Source: Reuters, June 19, 2018)*

- ▶ Daily newspaper circulation, print and digital combined, was down 11% to 31 million weekday editions and down 10% for 34 million for Sunday editions. At the same time, revenue from newspaper subscriptions rose 3% over 2016 to \$11 billion. The Bureau of Labor Statistics estimates 39,120 people worked in the newspaper industry last year, a 15% decline from 2014. *(Source: Publishers Daily, June 14, 2018)*

► Americans' trust in social media declined from 35% who express trust in the platforms in 2015 to 30% today. Identity scams, cyberbullying, hate speech, and fake news were cited as reasons for not trusting social media. Nonetheless, advertisers are expected to increase their social media advertising spending 17% to \$25.24 billion. About 70% of people think brands should pressure social media platforms to change while 62% think the government should intervene and regulate the channel. (Source: *The Wall Street Journal*, June 18, 2018)

► Unique visitors to BBC news sites grew more than 50% year-over-year in May. BBC is the 14<sup>th</sup> most popular U.S. news site ranked by unique visitors. Another survey found BBC News tied with Reuters as the third-most trusted news source in America. (Source: *Publishers Daily*, June 22, 2018)

► During the first half of 2018, 950 mergers and acquisitions were counted in the media, information, marketing, software, and tech-enabled services sectors – slightly fewer than the first half of other recent years. However, the transaction value jumped 43% over 2017 to \$140 billion (excluding the Time Warner and Twenty-first Century Fox mega-deals). These higher value deals are being driven by mature companies who are seeking to create an organization for future growth. (Source: *Digital News Daily*, July 9, 2018)



► Digital multichannel video programming distributors like DirecTV NOW and YouTube TV have hiked subscription rates by about \$5 a month while video on-demand companies like Netflix and Amazon Prime have increased their prices 16% to 20%. While individually any of these options is less expensive than a cable or satellite subscription, many consumers subscribe to multiple bundles to access different types of programming. One media trends observer predicts that eventually consumers will pay more for digital programming in total than they do for traditional cable or satellite today. (Source: *WARC*, July 11, 2018)

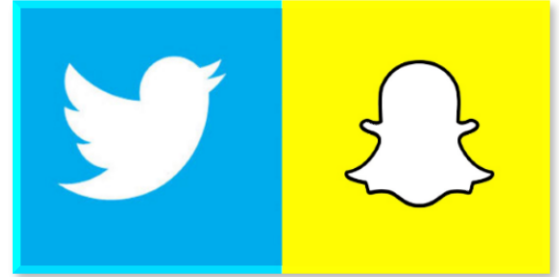
► The share of Americans who often get news on a mobile device has increased from 21% in 2013 to 58% in 2017. In comparison, the percent who often get news on a desktop has remained relatively stable at 35% in 2013 and 39% in 2017. (Source: *Pew Research Center*, July 17, 2018)

► Spotify's subscriptions increased 10% in the second quarter to 83 million subscribers. Including users of its free, ad-supported service, Spotify has 180 million monthly active users. (Source: *The Wall Street Journal*, July 26, 2018)

► More wealthy parents are building gyms, rinks, fields, and courts in their homes or backyards to make their child-athlete's training more convenient. Demand for at-home practice facilities has created a niche for designers. (Source: *The Wall Street Journal*, August 16, 2018)



- ▶ Snapchat lost three million daily active users in the second quarter compared to a year earlier, the first time it reported a loss in users since going public in early 2017. Snap's revelation followed announcements by Twitter that it had lost one million monthly active users since the beginning of the year. Snapchat has suffered backlash associated from a redesign last year that it has since sought to mitigate. (Source: *The New York Times*, August 7, 2018)



- ▶ Video game developers are creating new content with the goal to keep players constantly engaged, for instance some content may only be available for a limited time. This type of content makes it harder to stop playing a game. The average time people in the U.S. age 13 and older spend each week playing video games increased to 7.8 hours in 2017, up 60% from 2011. (Source: *The Wall Street Journal*, August 20, 2018)

## Fashion & Beauty

- ▶ An analysis of non-incentivized reviews of face and skin care products revealed several trends in the category. Brands not owned by large cosmetic companies and which have not launched in major retail channels experienced a 659% growth in the number of reviews last year. Face oils were an emerging category. Luxury facial products saw review volume grow 101% while mass skin care only grew 7%. Generally, fun and colorful products targeting younger women drove buzz across all channels and price points. Reviews of body care products declined across the board. (Source: *Global Cosmetics Industry*, June 2018)
- ▶ Consumers in their 20s and 30s are less interested in special occasion jewelry than previous generations. In response, designers are offering products that shoppers can personalize and express their commitment to ethical sourcing and sustainable materials. Millennials are interested in precious metals and stones and favor eclectic, artisanal, and handcrafted pieces. More jewelers are selling through online and pop-up stores to attract this audience which tends not to prioritize jewelry over technology and experiences such as travel. (Source: *The Wall Street Journal*, June 19, 2018)
- ▶ Facial exercise is a fitness fad which is becoming more mainstream. Saks Fifth Avenue has opened a FaceGym where therapists manipulate 40 facial muscles. Videos on YouTube are available to those who cannot afford \$70 for 30 minutes at the FaceGym. (Source: *The Wall Street Journal*, August 5, 2018)
- ▶ Charcoal is gaining popularity as a tooth-whitening cleanser. Videos of people using charcoal powders and pastes to brush their teeth abound on social media. About 131 personal care, food, and beverage products containing charcoal were introduced last year, an increase of 39% from 2015. (Source: *The Wall Street Journal*, August 12, 2018)



## Health & Wellness

- ▶ The Governors Highway Safety Association reported 44% of drivers who died in an automobile accident and were tested were found to have drugs in their systems, up from 28% in 2006. More than half of all the deceased drivers tested positive for marijuana, opioids, or both types of drugs. Nearly half (46%) of all fatally injured drivers were not tested for drugs. *(Source: The Wall Street Journal, May 31, 2018)*
- ▶ Suicide rates increased 25% nationally between 1999 and 2016 with every state except Nevada recording higher numbers. Suicide rates tend to rise during hard times. In 1932, the rate was 22 per 100,000 – the highest in modern history. The most recently reported rate is 15.4 per 100,000. *(Source: The New York Times, June 7, 2018)*
- ▶ Death from liver disease increased between 1999 and 2016 with cirrhosis-related deaths rising 65% and liver cancer deaths doubling. People between the age of 25 and 34 have had the highest increase in cirrhosis deaths, an average of 10.5% per year. The increase may be attributed to alcohol abuse and misuse. *(Source: The Washington Post, July 18, 2018)*
- ▶ The number of U.S. women addicted to opioids who gave birth quadrupled in the last 15 years. In West Virginia, the rate increased 53-fold to 32.1 per 1,000 while Vermont saw a 97-fold increase to 48.6 per 1,000. Regional variation in opioid-prescribing trends are a factor in the differences among states. *(Source: The Guardian, August 9, 2018)*
- ▶ Last year, 72,000 Americans died from drug overdoses, a historic high and a 10% increase over the prior year. The higher number of deaths reflects both an uptick in drug usage as well as drugs becoming more dangerous. Overdoses involving synthetic opioids such as Fentanyl rose sharply while death from heroin, prescription opioids, and methadone decreased. *(Source: The New York Times, August 15, 2018)*



## Homes & Housing

- ▶ Mushrooms are growing in popularity – more than 400 new food products featuring mushrooms were introduced last year (+22%) – and people are figuring out how to grow them on their own. Classes on growing mushrooms are filling up and running wait lists. More farmers are also adding mushrooms to their crops to meet growing demand. *(Source: The Wall Street Journal, June 11, 2018)*
- ▶ More luxury home designers are being asked to make kitchens child-friendly with under-counter refrigerators, toasters, and microwaves. Some families include a separate island just for homework or a play area for younger children. *(Source: The Wall Street Journal, June 14, 2018)*





- ▶ Fewer homes are being built in the U.S. than at almost any time in history. The dearth of homes is especially problematic in rural communities where economies of scale are more difficult to achieve, and materials and labor are more expensive. In 2016, approximately 71,000 single-family homes were built in rural areas – about 10% of total homes built and down from 14% in 2010. The housing crisis makes it harder to attract workers needed to fill open positions in less-populated areas. As a result, the lack of workers could cause employers to relocate. (Source: *The Wall Street Journal*, May 30, 2018)

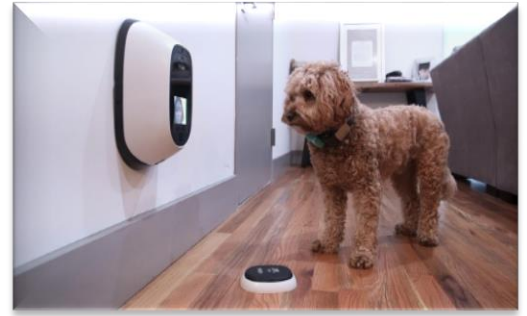


- ▶ Sales of new homes rose 6.7% to a seasonally-adjusted rate of 689,000 in May as compared to April. The South is driving the increase with sales in the region increasing 17.9%, the largest gain since 2014. There is a 5.2-month supply of new homes on the market, down from 5.6 months at the start of the year. (Source: *The Wall Street Journal*, June 25, 2018)
- ▶ Rates for homeownership were lower in 2017 than in 2006 for all age groups. Homeownership among householders under 35 is 7 percentage points lower and between 35-44 is 10 percentage points lower. Delaying marriage and student loans are two reasons that homeownership among young adults is lower. Only 36.5% of adults under 35 own a home compared to 78% of those over 65. (Source: *US Census Bureau*, August 13, 2018)
- ▶ A quarterly survey which tracks home buying attitudes found 48% of millennials interviewed during the third quarter of 2018 believe buying a home is a good investment down from 77% two years ago. The survey also revealed nearly one-quarter of respondents believe they should delay having children until they can buy a home suggesting the delay in marriage and starting a family is an effect of low homeownership rather than a cause. (Source: *press release from ValueInsured*, August 15, 2018)
- ▶ As Baby Boomers realize they may not have saved enough for retirement, many single homeowners are taking on housemates. The historic shortage of homes makes the option attractive for non-homeowners who cannot afford higher housing costs. An estimated 16% of adults age 50 and older live in a shared household, up from 2% four years ago. About 1.9 million households have a householder age 50 plus and a housemate, roommate, boarder, or non-relative. (Source: *The Wall Street Journal*, August 21, 2018)
- ▶ In the fourth consecutive month of declines, sales of previously owned homes fell 0.7% between June and July to a seasonally-adjusted rate of 5.34 million units. Sales year-over-year were down 1.5%. Rising prices and limited availability of affordable housing are to blame for the lower numbers. Normally, homeowners want to sell in a strong economy. But with a low inventory of homes available and higher mortgage interest rates, many are choosing to stay and renovate their current home. (Source: *The Wall Street Journal*, August 22, 2018)



# Technology & Communications

- ▶ A new report states the pet technology pet owners are most likely to buy in the next year include interactive toys, automated feeders, grooming devices, and pet-health apps. The U.S. market for emerging pet tech is expected to reach \$233 million this year (+18%) and 4.3 million units will be sold (+20%). *(Source: press release from Consumer Technology Association, June 11, 2018)*
- ▶ By the end of 2017, 70% of households owned a streaming device such as a smart television, internet connected device (e.g. Roku, Apple TV, Chromecast, Amazon Firestick), or video-game console. This is up from 64% a year earlier and does not include smart phones or tablets. Reportedly, 36% of individuals age two and older had at least two streaming devices. Among millennials, 63% have two or more streaming devices. *(Source: AI & IoT Daily, June 13, 2018)*
- ▶ Telecommunication experts have said the adoption of 5G technology will revolutionize the world and change just about everything. 5<sup>th</sup> Generation Wireless Systems (5G) will use additional spectrum to allow improvements in augmented reality, virtual reality, robotics, cloud gaming, immersive education, healthcare, and many other areas. 5G will support more devices and get data from place to place quickly and with fewer disruptions. *(Source: Adweek, June 18, 2018)*
- ▶ Around the world, 550 million smart home devices will be shipped this year, a 27% increase over last year. The total smart device market will grow from \$206.8 billion in 2018 to \$297.5 billion in 2022. Video entertainment sales are forecast to grow from \$157 billion to \$192 billion while smart speakers are predicted to increase from \$12 billion to \$28 billion. *(Source: AI & IoT Daily, June 22, 2018)*
- ▶ Voice assistants are being developed for the business environment and by 2022, 82 million devices designed for professional use will be shipped (excluding dedicated consumer speakers in hospitality, healthcare, and education). Amazon is building out Alexa-for-Business with integrations with Microsoft Office 365 and office technologies. Business adoption is expected to lag consumer adoption. *(Source: AI & IoT Daily, July 5, 2018)*
- ▶ A new forecast predicts the number of installed smart speakers will total 100 million by the end of the year. Furthermore, the installed base will double to 225 million units by 2020. The U.S. is the global leader in smart speaker adoption, accounting for 64% of installations. *(Source: AI & IoT Daily, July 9, 2018)*
- ▶ Shipments of personal computers in the second quarter increased 1.7% year-over-year in the U.S., the first increase after six straight quarters of decline. Global shipments increased 1.4% to 62.1 million units. Business demand fueled much of the growth. Consumer demand continues to be a challenge as smartphones are being used for many tasks such as shopping and social media. *(Source: The Wall Street Journal, July 12, 2018)*



- ▶ A restaurant chain plans to install robots in 10 of its 50 locations to cook hamburgers and clean the grill. The robots are not replacing employees because the restaurant, CaliBurger, cannot find enough workers to fill all of its positions. The hospitality industry had 844,000 unfilled positions in April, a record high and one-eighth of all available positions. It is unlikely that robots or other automation will replace foodservice workers as there are certain things that are hard to replicate or require a human touch. (Source: *The Wall Street Journal*, June 24, 2018)



- ▶ At the end of 2017, wireless data traffic total nearly 16 trillion MB, four times more than what was used three years ago and 40 times more than the total in 2010. Voice activity was down slightly for wireless carriers as compared to 2010 while the number of text messages sent decreased from 2.1 trillion in 2010 to 1.8 trillion last year. (Source: *Fortune*, July 10, 2018)
- ▶ Wireless service providers are pulling back on promotions used to acquire new customers. As a result, cell phone bills are rising for the first time in two years. In June, the cost of cell phone service rose 0.3% over the same month a year earlier. (Source: *The Wall Street Journal*, July 13, 2018)
- ▶ The new smartphone from Samsung, the Galaxy Note 9, is priced about 5% higher than last year's release which was 8% higher than the previous year's model. Apple has also been raising the prices of its phones and the average selling price in the first half of this year was nearly 15% higher than the same period the year before. The smartphone market is predicted to contract this year after declining last year as consumers' reluctance to pay \$999 for a new phone grows. At the same time, competition for high-end phones is increasing as Huawei, Chinese's largest smartphone maker, is bringing their own upscale smartphone to market at a lower price point. (Source: *The Wall Street Journal*, August 10, 2018)
- ▶ Smartphone manufacturers are beginning to develop phones for the gaming market. Mobile revenues are expected to account for more than half of the nearly \$138 billion global games market this year. Asus unveiled a game-centric phone earlier this year under the Republic of Gamer brand. The ROG phone was built primarily for gaming. It is expected to be introduced in North America later this year. Already on the market are Razer and Samsung's Galaxy Note 9 which will feature the initial rollout of popular video game "Fortnite" for the Android operating system. (Source: *Variety*, August 10, 2018)



# Transportation

- ▶ In May, drivers paid an average of \$2.96 per gallon, the highest price since 2014. The strong economy and higher wages have allowed drivers to handle the increase. Business have been more affected by the higher prices with airlines increasing ticket prices and manufacturers reporting lower profits due to the impact of energy costs. Gasoline demand fell in both May and June, the first monthly declines since the beginning of 2017. Some economists worry the higher energy prices could point to a coming economic downturn. *(Source: The Wall Street Journal, July 11, 2018)*



- ▶ The backlog of orders for heavy-duty trucks has increased to nine months, the longest lag since 2006. The typical backlog is five months. North American trucking companies ordered more than 300,000 Class 8 trucks in the first seven months of 2018 and are on-track to order a record 450,000. The previous record was 390,000 trucks ordered in 2004. A monthly index of U.S. trucking costs rose more than 10% in July, the first double-digit year-over-year increase in 13 years. New trucks will provide more fuel efficiency as well as attract drivers, an industry challenge. *(Source: The Wall Street Journal, August 17, 2018)*





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