Matt Britton Live Event Transcript

Matt: Younger people do not turn on the TV anymore, they're on their phones. And when they're on their phones, they're on TikTok or Instagram or Snapchat. And when they are there, they're looking at content not from Viacom, not from News Corp, not from Disney, they're looking at content from random people who you guys have never heard of, who have a bigger influence than most traditional media platforms out there. The creators know their audience, they're authentic, they're real, they're not scripted, and they're documenting their lives in ways that younger consumers want to spend time consuming. And this is the future of media.

To thrive in a rapidly evolving landscape, brands must move at an ever increasing pace. I'm Matt Britton, founder and CEO of Suzy. Join me and key industry leaders as we dive deep into the shifting consumer trends within their industry, why it matters now, and how you can keep up. Welcome to *The Speed of Culture*.

Hey, everyone. It's Matt. Welcome to the Speed *of Culture* podcast. Today we have a very special edition for you. It's a keynote I recently gave at the Radio Masters Sales Summit in Miami, Florida last month, where I talk about the macroeconomic conditions facing the consumer as an implication of consumer trends heading into 2023. Hope you get a lot of value out of it, and look forward to seeing you soon. Take care.

This is my third time presenting for this organization. The first time was at the end of 2019, New York City, a completely different world. Then last year, I presented Zoom, virtually. What those of you who saw me during that presentation don't know is that I was presenting in my underwear, but I guess it didn't matter. In fact, I did many presentations remotely from the March 2020 time period through about now. I can say that it's incredible to be back in front of everybody. Presenting as much as 10,000 people over Zoom while sounding cool because you never have to leave your house is not really fun at all when your dog is biting at your ankle. The energy I get, the nods, the types of reactions really allow me to cater the presentation in a way that hopefully everybody will get value.

First and foremost, one thing you should know about me is that I am a salesperson at heart. I will always be a salesperson. I started my first company out of college in the year 1999. It was the beginning of the internet boom, and I wanted to sell to these new internet companies. I had this idea that if I sent these people these elaborate dioramas in the mail, that they would get back to me. I specifically remember when Amazon started, I created a little jungle in a box. Literally got leaves and glued stuff together, and I sent it hoping that Jeff Bezos will call me back. He never did. Some people actually did call me back, and ever since then, I've been cold calling, and networking, and doing anything I can to drive revenue. I have a passion for sales. As Deborah was talking, it really illuminated some ideas in my mind, just two minutes before I came on stage in terms of some of the points I wanted to hit on.

We are in a different world right now, and I call it Youth Nation 2.0. My book, *Youth Nation*, that I wrote, now what seems worlds ago, was about how— it was really about the Millennial generation. For those of you who don't know, the Millennial generation is different from Gen X and every generation that preceded it, because the Millennial generation was the first generation that grew up with computers and the internet in the household. Me, a Gen Xer, many Gen Xers and folks older in this room, did not grow up with the internet in the household. We had to actually pick up the phone and talk to people, go on Encyclopedia Britannica to look up information, but it's the Millennial generation who grew up with the internet in the household. That wired their brains differently. That gave them expectations that later would completely disrupt your industry. Now it's Gen Z. Everybody's about Gen Z. What's the difference between Millennials and Gen Z?

Well, not only the Gen Z grew up with the internet in the household, they grew up with the mobile device in the household. They grew up with a device that is now an appendage to many of their bodies. People who have kids know what I'm talking about. That even changed and accelerated further their brain and their need to have instant gratification, and their desires and expectations of brands, et cetera. The commonality between both Gen Y and Gen Z is, since they had the internet, and since they had a voice, they actually were able to drive culture and trends from the bottom up.

Before a tool like Spotify or YouTube, et cetera, the only music that we would hear growing up was what was on heavy rotation, whatever *Clear Channel* would want to play. There'd be a programming manager that would pick the music, and that's what we would listen to. We didn't really have a choice growing up as Gen Xers. It was a top down world in the radio world, the music world, in so many other worlds, and because of that, consumers really didn't have power. The power was with the corporations. Then with the internet, all of a sudden, consumers have power. They would find their own artists, they would search the longtail, there would be YouTube stars, and now TikTok stars, and individuals that never would have had the chance, and all of a sudden change music, change the world because they had access. They could reach just as many people from their iPhone that 10 years ago only a major TV network or radio station could reach. The consumers were in control, and that's what *Youth Nation* was about.

Now actually the world is changing back to a different way again. I'm not saying that corporations are in control, because the internet is still here, but there's a bigger impact that's happening on consumers that actually puts them less in control, and that's the macroeconomic environment that we're currently living in. In some ways, no matter how excited young people are about a trend or a topic, it doesn't even matter in the face of what we're facing as a nation, as an economy.

When I started to write this presentation, I started originally just diving into "Oh, here's the trends, and Tiktok, and all this stuff." Then I took a step back, and really realized the downturn that we're heading to in the economy, the struggles that some consumers in parts of America are having, and I really thought it made sense for us to zoom out and look back in terms of all the events that have happened since I started speaking in my underwear, all the individual things where we are today, as an economy, what it means for this new consumer, and what does it mean for your industry.

I'm going to wind it back a little bit to March 11, 2020. Who could forget that day? I remember being in my living room watching an NBA game. Rudy Gobert, an NBA player, had just tested positive for COVID, and he started licking his hand, and putting his hand he just licked on all the different microphones almost making light of COVID because nobody knew how serious it would be at that point. The NBA then announced they're scuffling that game and the next day suspending games indefinitely. We found out that Tom Hanks had COVID, and we were like, "Oh, wow. This is real. This is going to be a thing."

All of a sudden, Thoreau's star started to change. Most of us know some of the other major events in history, where we were that day and how it changed us forever. You'll notice that every single one of these slides actually has a weather analogy to it, because I think we've been through, and it's really apropos being in Florida, the most wild weather meteorologic system than we've ever seen in the history of modern day humanity. This is the thing that rocked us to our core that day.

Then we had the aftershock. The aftershock was kind of recovering from the rubble. All of our organizations that we work for told us that we had to work from home. We had to figure out the Zoom thing, and we had to figure out how to communicate with people remotely. All of a sudden, we went to the stores, and there was no toilet paper. There are no paper towels. Everyone was getting this Peloton thing, and we didn't know what it was. The stock market was crashing. My investors or my companies said, "Drain your line of credit. Take as much much money as you can because we're entering the Great Depression. No company is going to spend a dollar right now. Everyone's going into hiding." That's what happened during the aftershock. People did not know what to make of it.

Then after the aftershock, we had the sun shower. The sun shower was really driven by the government. In no other time, at least in my career, has the government had such a big impact on the future of business as it is today. The government really is pushing buttons that are controlling our realities in business in a way that we've never seen, and that's not a political statement on one side or the other. It's just based upon the world that we're in right now that's so topsy-turvy.

From June, the government stepped in to try to prop up the economy, first through the Paycheck Protection Program, which basically gave companies the ability to pay people even if they didn't need them just to keep them employed. We had the Cares Act, which was relief for individual taxpayers. All this money got poured on to the public. What started to happen? Well, people started to feel rich again. If you look at the bottom left graph there, you'll see the US savings rate spiked to 30% of annual income. People were saving 30 cents on every dollar they made. That number had never been as high as 15%. All of a sudden, people were flushed with cash. We went from literally March, April, we're going into a depression, to then May, June, July, I feel so rich, I have so much money, I canceled my Disney trip, I'm not going out to dinner anymore, where's all this money coming from? That really changed how people really thought about things.

Then on top of people really feeling flush with cash, then at the end of 2020, we got news that there are vaccines out. Now even the companies that really got hurt during the pandemic, whether it be Delta Airlines or Marriott, et cetera, they may even have a future. All of a sudden the world was really, really bright.

When we entered 2021, it was almost like some people thought, "Well, despite the terrible health impact that had, COVID actually propelled our economy to all new heights." People had so much money, they didn't know what to do with it. They started buying homes that they couldn't afford, and home prices spiked to levels that we've never seen. They started buying stock in companies like GameStop that made those companies' stocks grow 50%, 80%, 300% just because it was fun. People actually traded stocks like a game, and made a lot of money doing it for a short period of time. They bought Dogecoin, and Bitcoin, and cryptocurrency, things that people thought had no value because they had so much money that they just really didn't even know what to do with it, and the stock market exploded.

We had a period, January through November of 2021, where a lot of people had a very good year last year. Let's just put it that way. People thought it would happen forever, but in any boom time, nothing really ever lasts forever. We started to feel what I'll call the high pressure system last year starting to mount, because the dirty little secret is, if people want to buy more and more stuff, somewhere somebody needs to make that stuff. Somebody needs to find the materials, manufacture it, and actually ship it to the person that ultimately consumes that product, whatever it may be. What started to happen is, the system that was behind the manufacturing of all these products started to break down. There were not enough people to actually do the work. Some people were like, "You know what? I've got so much money for the government, I don't even want to work anymore. Sorry, I'm going to go home and just hang out and watch Netflix. No thank you. I don't want to work." They literally just walked off the job. Companies couldn't hire people. There were issues throughout the entire supply chain. I don't know how many of you remember the Evergreen cargo ship that actually somehow got contorted throughout the Suez canal and actually blocked a major global supply chain. That happened last year, and all of a sudden, things that we expected to get, we couldn't get. Just basic economics that they teach you since you're in middle school, is that the less of a supply, the more of a demand, the more prices go up. All of a sudden, we start to hear this dirty little word called inflation.

People thought it was transitory and it was going to come and go, but it never really came and went because consumers, once they got used to a certain lifestyle and buying certain things and they had all these bigger houses that they needed to fill, their demand didn't stop. The supply started to waver, and all of a sudden, everyday items started to go up, and all of a sudden consumers started to feel slightly less rich than they did a year ago. We had gas prices started to increase and take up more of a percentage of their overall spending. We had prices across the board raise 7% to 10%. Then we had what I'll call the tornado, which is the invasion of Ukraine by Russia, which those two countries are major suppliers of commodities and goods around the world. Natural gas from Russia is a huge dependency for countries like Germany. Ukraine is a huge food supplier for a lot of developing nations around the world. Just like the cargo ship that broke down in the Suez Canal, it got exacerbated even more.

We might not think that things that happen so far away impact us, but they impact us dramatically, and especially when it comes to things like gas prices. Now we're starting to go in a completely different direction. We came from a place a year ago where we were buying Dogecoin and seeing what Elon Muscle's going to say about it on *Saturday Night Live*, to a year later, it's like, what happened? How did this happen so very quickly? Now we're in a period where we're facing what I'll call storm clouds. We don't know what it's going to mean. Yesterday, the Fed Reserve basically said they can raise inflation, the base federal rate to 4.5%, 5%. That's a level we haven't seen in years. What that means for all of us is mortgage rates are now double what they were a year ago. Which means you have to pay twice in interest what you did only one year ago for the same price of house.

Our credit card interest rates are going to go up, so it's going to be more expensive for us to borrow, and it's going to impact everything from buying a car, to education, et cetera. Not too great. Pretty gloomy picture right now, and obviously no one can predict the future, but that's the state of our economy right now, and that series of events impacts every business that you sell to. In some way, shape, or form, these businesses are all being impacted.

As Deborah said, I work with Proctor and Gamble, and I see how companies like that are dealing with rising commodity costs, and trying to figure out am I going to pass the price of more laundry detergent costs onto my consumer, or is there a risk there, because then will a consumer just say, "You know what, I'm going to buy private label store brand laundry detergent because it's going to get my clothes washed, and I don't need tide anymore." Every business, in a variety of different disciplines, is making these decisions right now. We need to understand the realities that each of these businesses face and not call them like it's 2021 when everyone feels like they were loaded, because they're not anymore.

Now, there are some things that are propping up and holding the economy, one of which is the labor market. Right now, there are more open jobs in America than there are unemployed people. We are still having this hangover from this fiscal stimulus where there is tremendous demand for jobs. Now, it's not evenly distributed. What we're starting to see right now is white collar jobs at software companies, information companies, et cetera. They're actually starting to cut because they over hire during this boom where blue power jobs are the ones that are most in demand right now because it's the supply chain issues before what companies are looking for, but unlike any other economic downturn in history, there are no shortage of jobs out there. That is definitely a reason to be optimistic about the future, that maybe things may get worse before they get better, but they'll certainly get better. That's definitely a shining star.

We see the impact of fiscal stimulus throughout history on the consumer price index, meaning every time the government puts more money into the economy, prices of stuff go up. That happened for a while. It doesn't look like it's happening again. What the government's trying to do right now is cool down the economy by raising interest rates, which is going, by design, create more unemployment in the economy. They don't want people to be as gainfully employed because that props up inflation, so they're going to try to slow it down, but we're still in the midst of it right now.

The byproduct of all this right now is, consumers are getting more and more in debt right now. US consumer credit is surging right now. Consumers right now have nearly all time low savings and all time high debt. Why? Well, they got used to a lifestyle during 2021 where they were all ballers, and it's really hard to change in downgrade. Now we're starting to see, and what happens when consumers have more debt and interest rates rise, and everything else rises. That's where we're headed to right now, and that's something that we all need to be prepared for heading into 2023, is really a very murky economic environment, One that I think is really hard to comprehend just, again, given all the craziness that we've seen.

There are going to be some companies that are going to be the immediate bubbles as part of this, one of which is what's called a BNPL or buy now pay later. You've probably heard of companies like Affirm and Klarna, these companies where basically you go online to Urban Outfitters and you want to buy a pair of jeans for a $100 and they're like, "Well, you can buy 10 pairs of jeans, and it's basically just a $100 a month for the next 8 months." It's like, "Oh, that's cool. I only still pay $100 and I get 10 pairs of jeans that I want." Then people make the same decision, buying a Peloton they can't afford, which by the way, my Peloton is a great hanger for dirty clothing right now. It's awesome.

What starts to happen is, consumers don't really care about the future. They care about the now, and they'd rather get more stuff now. That's a great example of how debt has been with consumers, drove consumerism, drove great results for some of the customers that maybe you call on, but now maybe not so much.

What does this all mean for the younger generation? We're here to talk about. Well, the younger generation, and specifically Gen Z, has never seen anything like this before. None of us have. Those who are entering into the workforce, those young consumers, are going to be facing a world that they had never imagined, especially dating back to 2019, where we were just at the very end, the most consistent period of economic prosperity and peace that our country has ever seen since essentially 9/11 or say 2008 financial crash through that period of 2019, it was boom times, and there was no really major things to worry about, and now all of a sudden here we are.

Let's talk about Gen Z. Because Gen Z is an incredibly important generation. When I first started talking about millennials, they were not the biggest generation in the United States. It was still Gen X. Now Gen Z, the young generation, is by population the most voluminous population that we have in the country. Nearly 86 million Gen Z consumers, which means more often than not, the people who your customers are targeting are going to be people who grew up with the iPhone attached to their body. That was not the case 5, 10 years ago. Baby boomers by age are being phased out as consumers that are in demand by brands, just from a data standpoint, and Gen Z is really where they're focused. That's the future spending, and that's where companies want to go after. As well as millennials who are the CFOs of the household.

Now, this generation, Gen Z, is unlike any generation we've ever seen, mostly because of his diversity. Only 52% of Gen Z are not Hispanic white, only 52%, which means if you're targeting a younger consumer, there's literally only half a chance that it is a minority consumer versus non-minority consumer. We live in a diverse country, and our customers have diverse customers, and we need to understand that and make it part of every messaging point we have, because that's a pain point they're trying to solve because this is a growing and new phenomenon for these businesses that are maybe used to selling to the same type of consumer. Which no longer is the case from a demographic standpoint here in America.

This generation has really been, like all of us, screwed up from the COVID pandemic. A third say that COVID has negatively affected their work life balance. To some extent, maybe they didn't have to work as hard during the pandemic, and now they actually have to come into work and they don't like it, which is what I'm experiencing in my Gen Z employees, but regardless of how they feel, 80% are worried about their financial disability, and 50% are who are still student aged, are anxious they're going to be left behind in their studies, because these were formative years for many kids who were unable to go into school and have to actually learn in a room next to their sister and their dog and et cetera. It was very hard for them to learn without connecting directly with their teachers.

In terms of this whole stress about the work environment, there's this new phrase that's popping up called quiet quitting. Does anyone know what quiet quitting is?

As an employer, I hate it to death because basically what it means is, quiet quitting is you don't quit your job. You just do the bare minimum to not get fired and hope nobody notices, and spend all your time doing what you love to do. The entitlement I've seen from the young generation coming out of COVID is something that is very hard to grapple with an employer. We do these anonymous surveys with our employers every other week, and I hear things like, "I don't get why our company is so revenue focused." Then the same person will say, "I'm really worried about the future of the company." Well, maybe you should be more revenue focused so you can secure your job. This is a thing, it's just something to know about, and it's just a term that's definitely popping up more and more. Overall, as a part of the anxiety that younger consumers are feeling, consumer purchases are definitely on the decline. One reason why is what's called the end of the millennial lifestyle subsidy. What does that mean? It means that during the boom times, venture capitalists would basically fund companies like Uber to operate at a loss. You could jump on an Uber and it would be incredibly cheap, or you can go to an Airbnb and you wouldn't pay as many fees because those companies were losing money because venture capitalists were just investing in growth. Now that's no longer, and all of a sudden all these companies are no longer subsidizing or subsidized by their investors, and they're raising the price. This amazing lifestyle that a lot of the millennials were able to experience is being pulled away as a result of the economic environment.

Now, in terms of when consumers are spending, we are seeing a return back to brick and mortar. Many talked about the death of brick and mortar, and we're not seeing that at all. We're seeing that since the rise slowly opened back up, while online growth is still there, we're seeing brick and mortar come back to pre-pandemic levels. If you go to stores, you probably see them being pretty full. If you go to malls, you probably see a lot of people at malls. I think local regional companies that may have been killed during the pandemic because they didn't have the digital infrastructure now actually can start to bring people back in person if they're creating the right level of experiences.

We'll talk a little bit about rural radio and being omnichannel. Not just about the channel of radio. This is a perfect example, where if you're competing for ad dollars against companies like Google and Facebook, what they don't have is that local presence in the community. What they don't have is the ability to do local promotions. What they don't have is the ability to allow these businesses to touch and feel their consumer. These consumers want a touch point with the brands again, and it's something that needs to be leaned into when consumers are going to have to make more choices.

One thing that we're definitely starting to see coming out of this, is a period of de-globalization. During this huge boom of economic prosperity, from 2012 to 2019, one of the things that created the boom was that we were able to get jeans at Walmart for $9, and things were so cheap because they were all manufactured in China, and because we had great relationships. Well, that's not really the case anymore, with a lot of our foreign frenemies, what we'll call them. Now there's a push to actually make things here in America where it's going to cost more to consumers. As a result, they need to make more choices. One of the things I believe they're going to do is go back to shopping locally. I do think there's a notion that everything old is new again. I think that local businesses, regional businesses, and you're seeing it, Amazon struggle right now in a way that they have never since they really started to boom as a company because they are getting pressure on people going back to stores, people looking for different things in the practice services that they purchase.

With that, we're seeing more US consumers switching brands at any time during 2020 or 2021. 90% of consumers plan on switching brands. As a result of the world-changing, as a result of all the factors that we just talked about, consumers now are more open to switching brands that maybe they hadn't switched for a long time. Again, creating opportunities for businesses. By the way, I'll share a copy of this deck for everyone so you can get a copy of the slides as well.

The younger generation doesn't just care about price and the products that they look at. Gen Z does care about a variety of different things when figuring out, am I going to patronize this brand, product, or service. They care about authenticity. They care about, does a company do what they say they do. Are they who they say they are? They do care about the impact on health and the environment for their products. We'll talk about conscious consumerism in a second, which is something that I look at both ways because it's like, will consumers really pay more if it's sustainable when they don't really have money to make that choice? At least what they're saying, and some companies are proving them correct, is that it does matter. Then consumers do care about diversity, equity, and inclusion in this very diverse generation, how these brands signal themselves. You're seeing that in their advertising and how they're building their brands. That all matters, and it should matter.

I think for those reasons right now, that's why consumers are switching. That's why you're seeing Gen Z switch, is that these are things that they care about based upon the world they grew up in that maybe millennials didn't care as much about. When you're talking to these businesses, you want to talk about authenticity, you want to talk about conscious consumerism. The impact of their products on the environment or the health. They want to talk about their ability to have a diverse equitable organization in terms of how they're. That's just reflective of this new generation.

Overall, though, consumers are shipping or spending from goods to services. What we're seeing is companies like Walmart and Target report that their inventory is an all-time high. During the pandemic, when everybody felt rich, they bought a TV for every bathroom in their house. We don't need another bathroom, we don't need another Sonos speaker, we don't need another Peloton. We all did this shop when we were stuck home all day and we didn't spend money on travel. Because of that, and then these big retailers just kept buying more and more stuff thinking it was never going to end. Now they're discounting and trying to sell it out the back door. The demand for products is really waning, but the demand for services is booming.

I was at the airport yesterday, flew here from Denver, I've never seen it so crowded. If you're traveling, every airplane is full. If you go to Disney World, get ready to wait in line for Space Mountain. No matter where you're going, if it's a service, if it's a restaurant, if it's a hotel, I tried to book this hotel, but it was sold out. The demand is there because people are cooped up. Who is the money right now? It's service companies, not product companies. If you're thinking about businesses that go after those who have money in this economic downturn, because I believe there's always a bull market somewhere, like Jim Kramer on CNBC says, there are, there are companies that are winning in this market, you just have to find them.

If you keep calling on the companies that were successful in 2021, well, they're in a different world now, as many people are, but that's definitely one area, is in the service sector, and Gen Z is leading that. They're getting to come back and travel, spending, hospitality, all that stuff. That's where they want to spend their money.

Again, most people have more stuff in their house than knew what to do with. They don't want to buy more stuff, they want to buy more experiences. This is something that was booming that was coming into the pandemic. During the pandemic, we couldn't buy experiences. We were stuck in our house. People just bought stuff. Now they have to make a choice. They already have stuff. This cost of stuff is going up. They want to live their lives, they want to get back out in person. That travel is definitely booming. We talk about sustainable products. Gen Z, when they do buy products, is definitely a generation that cares about that the most.

Nearly 6 in 10 consider themselves as called conscious consumers, which means that they care about the impact of the products that they sell, not just the products themselves. Those are stories that your brands need to embody in some way, shape, or form, especially if they're local businesses and they can talk about the impact they're having on the local community. Any issue that's key to a local community where a business represents, again, what radio has that Google and Facebook don't, because that's really the competition. They're getting the bulk of the dollars in growth despite their stock prices. That's the way in. We're entering this period of the end of abundance thinking.

Basically consumers, and when it comes to products, it's not just like when we buy more, more and more. They're looking at things like eBay, they're looking at things like Facebook marketplace. They're looking at things where they can reuse and be crafty, buying from local people. That's as a result of, again, increased prices as we de-globalize, and supply chain issues that we're definitely going to see moving forward.

Another huge change, especially impacting the radio industry and so many industries, is just the shift to remote work. My company, our lease ends in July of 2020, and we're just considering opening up an office now and it's not even going to be a full-time office. So many companies are like that. Consumers are working remotely. What does that mean? It means that their listening habits are different. It means that their commuting is different, if they even commute anymore. It means the places they go to lunch are different. The ways they interact, the type of content that they seek out is different.

Every business is grappling with this change in their consumer set as more and more consumers go remote. Nearly 60% of the total US workforce identifies themselves as some type of remote work. That is fascinating. I also read a stat that only 9% of consumers are going into work to an office 5 days a week. 9%. That's the one change coming out of this that I think is the most jarring in the business world, is that the notion of the office is probably no longer— There will be offices, but 9:00 to 5:00, five days a week, whatever it may be. You see companies like JP Morgan and American Express, Goldman Sachs trying to hold onto it, Apple, and what's happening, employees are rebelling. They don't want to do it.

What's funny, though, is we don't have an office. What I'm hearing from younger people is that I want an office. I think people always want what they can't get. The answer's probably somewhere in the middle, but this is definitely a big driver.

Another big change that impacts millennials is, in this world where there's a lot more demand on blue color and on specialized skill sets, and in a world where companies need to make choices in their workforce, nearly every company in the country, Facebook just announced they're cutting 10% of their overall expenses. Google, TikTok, Tesla, the most valuable companies in the world, are all laying people off. Go work all the way down from there. Companies have to make choices. I often get asked to these conferences afterwards, parents come up to me and say, "Well, in this crazy world, what do I tell my kid what to do? Where should they focus? What should they do?"

What I always tell them is they have to go deep into an art or deep into a science. What does that mean? Deep into a science means you have to learn how to build and operate the machines, because many companies, in their press for rising costs, are going to look for ways to automate.

You don't want to be automated out. You want to be an automator. Learning how to build and operate the machines is going deep into a science. Deep into an art, is learning how to do things that the machines can't. Design, write, draw, speak, make people laugh, smile, cry, you name it. That's going deep into art. I think what's not going to fly in this new world is a liberal arts degree where you're a master of everything. Jack of all trades, master of none. Because those jobs are just going to be disintermediated by technology, or offshore or outsourced or you name it.

I think that is really the opportunity. What we're seeing really boom, coming out of this, is this freelancer economy where basically people who have these specialized skill sets, in deep in art or deep into science, can market themselves in a tool like Upwork where companies are looking for freelancer marketplaces and get design done without hiring a full-time designer, get writing done without hiring a full-time writer. This is where a big opportunity really lives in this new economy. With that, I think that the four-year education system needs to change because people are getting into debt, a $100,000 debt, getting these degrees in liberal arts that are not going to be marketable in the wake of an economic downturn.

My kids learn how to identify different types of leaves on trees, but they don't know how to use a spreadsheet. Where's the logic in that? While their counterparts in Japan are learning how to write algorithms, age 12.

Ultimately higher education needs change as part of this. I think you're going to start to see this continued boom of trade skill sets. Companies that operate in that space are going to be one area where they're going to have a bull market. Where they're going to see if you are a trade school, if you're a specialized school, there's going to be continued demand, because many families aren't going to be able to afford the cost of traditional college. People are going to start to realize that it's no longer paying off. That's why the government recently forgave student loans. They forgave student loans because all these people had degrees and they couldn't pay their loans back because they couldn't do anything with degrees. The world is changing. This is the big way, it's changing.

One big trend that I think is relevant for everybody in this room is this notion of the creator economy, which I'm sure you've heard a gazillion times by now. The idea behind a creator economy is actually really simple. I'm a Gen Xer. When we grew up, tuning in to NBC must see TV on Thursday night, *Catch Seinfeld*, it was awesome. Everyone watched one of four channels. It was what it was. It was the day when the boardroom controlled content that came out. Now, just like music, all content is bottoms up. Younger people do not turn on the TV anymore. They're on their phones. When they're on their phones, they're on TikTok or Instagram or Snapchat. When they were there, they're looking at content not from Viacom, not from News Corp, not from Disney. They're looking at content from random people who you guys have never heard of who have a bigger influence than most traditional media platforms out there. The creators know their audience, they're authentic, they're real, they're not scripted, and they're documenting their lives in ways that younger consumers want to spend time consuming. This is the future of media. Individuals are the new brand.

That used to be those who controlled the eyeballs where the big media companies, now who control the eyeball is a long tail of people that in any category, whether it's gardening or cooking or home improvement, control massive audiences. They're not just on national levels, they're on local levels. These are the people that can help drive business for younger consumers, for all the companies that you're calling on. Not having a creator strategy calling on brands is really being blind in this era. You're basically not looking at, and it doesn't mean that they're not going to listen to radio, but this has to be a part of the overall. SiriusXM has a TikTok channel now, TikTok Music Channel, because all the new artists are being broken on TikTok. This is just where it is. As these consumers get older, this is going to be the way that they consume media. This is going to be the new way.

Tiktok engagement is going up. Average monthly hours spent per user for TikTok is 26 hours. I'm convinced my daughter spends 26 hours a day on TikTok, even though it's only 24 hours in a day. It keeps going up. It is the new channel and needs to be a part of every single platform. TikTok is now getting into commerce. Social commerce is a huge trend growing right now where an influencer, say a beauty influencer has a big audience, is now like QVC, using those eyeballs to sell stuff. Now it's moving into a whole different direction, which is really exciting as well.

What does this mean for our industry? What does this mean for everybody here? In terms of what are the major trends? It's funny because when I went through these trends, many of them are similar to what I've talked about in the past, but they have a little bit of a different feel. First and foremost, things have to be interactive. The younger generations do not expect the media to be linear anymore. They need some type of interaction. They need to be able to vote on what's played on the radio. They need to be able to interact with the DJ. They need to be able to interact with one another, both virtually and in person. I think linear, meteor, straight linear media, we're going to basically aggregate ears or eyeballs for a piece of content and sell advertising. You're just going to lose their attention. Their brains are wired differently. This is Gen Z. How do you become interactive with what you're doing with a promotion, with a piece of content, with your talent? I think that is table stakes for anything that you do in this space.

Second, it needs to be, there's a huge opportunity in being utilitarian. That means that content that consumers can get value out of is highly in demand right now. Whether it's a podcast about home decor, or whether it's a podcast about how to build a business about being an entrepreneur or how to become a music star, whatever it may be, there's just a huge demand right now for utilitarian audio content, and we're seeing it over and over and over again. Yes, music is great, and consumers are going to seek out their music, but they have different choices on where to find music right now. They're streaming and they're doing all sorts of stuff where utilitarian content is something where I see a huge boom, and in this new world where a lot of consumers and a lot of businesses have to reinvent themselves, I think that's going to be huge.

One thing that works for me as a salesperson, this is one of the ideas I had when I was being introduced, is, so I run a podcast, it's called *The Speed of Culture*. I started about a year and a half ago. Now, when I started, I knew the last thing anyone needs right now is another podcast. I was smart about that. It didn't make sense for me to spend a lot of time and money trying to build an audience, but I knew that there are certain people at certain companies that I wanted to get to and build relationships with. My podcast is about who do I want to do business with, who do I want to learn from, and then I invite them as a guest, and as part of my prep for the show, I'll have conversations with them, I'll get to know them, they'll get to know me, they'll get to know my business. Then I'm running the podcast and they're sharing it with my name next to it, next to all their colleagues.

All of a sudden, two weeks later, one of the sales people in my team said, "Hey, we just did business with that company you had in your podcast." It's just a way to engage with them. It gives me content, and it gives them content. It strikes me that anybody who's working in radio sales as a local market should do the same exact thing. You guys are in the business, there's such low barriers to entry, and it's basically who cares if five people are listening to it. The person you're interviewing is a real person you want to reach. Now it is building an audience, and now we've created a media partnership with Adweek, but when I started it, it wasn't so a million people could listen to it. I didn't even look at how many people listened to it. To be honest with you, it was nobody, but the spouse or the person I interviewed, at least I got to talk to that person, and it gave me content to be able to share. It's just something to think about in terms of being utilitarian and creating content, and you could do it on a local basis, et cetera.

Things being people based, I believe in the future. I'm a huge sports fan, a huge fan of Bill Simmons, who's a podcaster. Bill Simmons, for those who don't know him, was an ESPN star who got fired and created his own podcast network called the Bill Simmons Podcast Network or the Ringer Network, and was acquired by Spotify about a year and a half ago. It never, when I was listening to Bill Simmons for a second, that I really care no difference if it was this guy doing it from his living room or if he was part of ESPN, because my relationship, as you guys know about radio, is with that person. It's not with the brand. It's with the person.

We are in a people driven world right now. Kim Kardashian just announced that she's putting her name behind a private equity fund. This guy, Mr. Beast, who's a huge YouTuber, opened up a burger shop in LA that had 10,000 people show up for the opening. He had to tell people not to come anymore. He's a YouTuber, but he was able to get more people than a celebrity, a real Hollywood celebrity web based on their audience.

In this world where people are staring at their phones, they're, again, consuming content from people, people are the new brands. If you want to build an audience, if you want to do something different, who are the people that matter? Either utilitarian, locally relevant, you name it. Bill Simmons showed it so many other people do. I think that is actually the future of content entertainment, and actually journalism. I think people, when it comes to the news, actually trust the reporter in some ways more than they do the network because they don't know what the agenda of the network is these days. They just look at the reporter, and I think reporters are going to have their own media channels, and we're seeing it happen already. How can you be people based? I think that's a big driver moving forward.

Discoverability is huge. We are in a world right now where consumers do not want content pushed to them. They want to seek out the content they want. How can your platforms drive discoverability? How can you have shows or applications that allow consumers to discover new music that speaks to them that's liked by like minded people in interactive ways? I think that's what's going to drive people to want to listen and want to interact.

Programmatic. Programmatic solutions are everything right now, and we need to, basically— The thing about radio and a lot of traditional media channels is, Google and Facebook came in and they had these easy ways where you could programmatically target people. This industry is still catching up, but the modern day media buyer wants interfaces to buy media. They want to talk to people, but they also want to be able to pull in the metrics digitally. They want to be able to target. We have to work on that. That's a longer term solution no one's going to solve in this room, but the only way this industry's going to win is creating programmatic solutions for advertisers, and I think that makes their lives easier.

We talk about localization. Localization is a secret weapon of radio. It is. Whether you're selling something nationally, you have to have local hooks. Local is what works. It's more important than ever before. It's been shown throughout history in the wake of economic downturns, people become more local and provincial in nature because they care about their community. It's like, again, everything old is new again. This time is built for companies that have a local presence. That's what makes them feel connected, and that's what makes them your business and your brands. Market your businesses locally and market your clients locally, and that's a way where you can win against other places where companies can spend money.

Then lastly with that, I think it's all about being omnichannel. Meaning, just because you're a radio company doesn't mean that you can't sell events. Just because you're an event company doesn't mean you just can't sell content, doesn't mean you can't sell promotions, doesn't mean you can't sell ways to acquire first party data.

Ultimately, these companies don't care what type of business you are. They care about the solution you're providing and the outcome for their business. I think often what I find when people are selling in a specific type of media, is they get focused on selling the channel. I'm going to sell this channel. This channel is so important. When the client doesn't care about the channel, they care about hitting their numbers and making money, so focusing on the outcome, start with the customer, what does this customer need in this crazy world, and then how do I work my way backwards in ways I can do it, whether you partner, you buy, you build, et cetera. Then, with a local presence, all of a sudden you have something where a client will leave the room and say, "I never thought they could do that. I had no idea." You can always bundle in your higher margin radio stuff if you have a big idea that they love. Always.

You wrap that in, sell the sizzle, not the stake, and the sizzle about what they care about. I think that's a hugely important thing that I don't really see enough of. That's a high level. It's a crazy world out there. Wishing you guys all the best of luck. Thanks so much for having me, and enjoy the rest of the conference everyone.

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