

Grassroots Research® Market Monitor

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Digital Advertising Spending–US

To gauge the outlook for digital advertising spending in the US, Grassroots® commissioned interviews with ad buyers. Sources indicate an average 36% of digital advertising spend is purchased through programmatic/automated platforms. Advertisers like it for its ability to drive awareness, its targeting capability, and they can incorporate customer lists. Looking ahead, 69% of sources expect digital advertising spend on programmatic/automated platforms to increase this year. One source said, “Programmatic will likely increase this year, because there are, what were traditional media channels, coming into programmatic more and more. One of these is billboard, or digital out-of-home. Subscriptions on services like Netflix now are starting to have ads. All of these are opening up incrementally more advertising in programmatic.”

Among the sources that buy retail media, an average 14% of digital advertising spend is allocated to it and most of these advertising buyers expect spending on retail media will increase this year. One source said, “Retail media is a massive opportunity,

but right now it is more for companies that are selling a physical product that you might buy through a particular marketplace. You are not going to buy a car through Amazon, but you might buy everything from laundry detergent to clothing to household goods through them. All those types of advertisers are putting more into retail media. For consumer-packaged goods brands, or really anything you would buy through the traditional retail channel, we will see more spending going through retail media. Before long, we could see more than one third of digital advertising spend go into retail media, but it is so dependent on the advertiser and on objectives. It is still kind of emerging, but we are already at a spot where the industry itself is spending billions.”

Meanwhile, when asked about competition within demand-side platforms, sources mentioned the top reasons to use The Trade Desk’s demand-side platform (DSP) vs competitors are breadth and quality of inventory, customer support/service, and the company’s leading edge in both industry and technology trends. One source said, “The Trade Desk has



good customer support, which is important. They are champions of the open internet, and they have a lot of innovative partnerships with advertising tech partners, with retail media, and with other data sources— so a breadth of inventory.” When asked about demand side platforms (DSP), 92% of sources said the number of DSPs they use will not change in the next year, while 7% said it could— with an average of two DSPs currently used. One said, “I do not see the number DSPs we are using change this year. We know the platform we are using well and can take advantage of all they have to offer, vs getting people up to speed on another DSP platform.”

Wind Energy Outlook–US

To access expectations for the growth of US wind energy capacity additions and gauge market share trends among wind energy manufacturers, Grassroots® commissioned interviews with wind industry professionals.

Among the sources who commented, 50% expect wind energy capacity to increase in 2026 vs. 2025 either at their companies or overall, in the US, and 40% expect it to remain flat. One source said, “Wind capacity growth will depend on politics and policies in the US after the elections. Growth has slowed since COVID-19 and the supply chain challenges we all are aware of but our company nonetheless anticipates strong growth moving forward. 2025 could end up being flat vs. 2024 and then we could see a jump in 2026. We anticipate growth in part due to high and growing

demand for energy for EVs and data centers that need a lot of energy as well as the shutting down of fossil plants.”

Sources indicate the top two factors influencing decisions about whether to add wind-energy capacity are tax incentives and regulatory support. “Tax incentives through the IRA bill and PTC are definitely number one on the list by far as everything in wind energy is subsidized. Mandates are important too and can work two ways: for the fossil fuel industry, they can increase the cost of doing business, which in turn makes other technology, such as wind energy, more efficient and more economical by comparison. So, in this respect, mandates act as both incentives and disincentives.”

Cruise Demand–US

To gauge travelers’ intent to take a cruise vacation, Grassroots® surveyed consumers who have taken a cruise in the past 12 months. Top likes about taking a cruise are it’s all inclusive, entertainment, and the experience of sailing/being on the water. Compared to land-based vacations, 76% of sources believe taking a cruise is better value for their money and 87% would not cancel a cruise if prices increased \$100. In terms of the top items purchased on board last cruise, these include food, gift shop items, and alcohol. Sources indicate the overall money spent onboard the ship exceeded expectations for 44%, while it was in line for 50%.

Looking ahead, 93% of sources plan to take another cruise in the future. Among these, the top reasons are that they want to see new destinations and enjoy the overall experience. As far as overall money spent onboard the ship, 96% planning to take another cruise in the future think it will be the same or more relative to their last cruise. As to the top

cruise lines with which sources have taken journeys in the past 12 months, they are Royal Caribbean Cruises and Carnival. The main reasons sources chose to cruise with a particular brand are good prior experience, amenities available onboard, and price of the ticket.

Of those that have taken a cruise in the past 12 months, if they take a cruise in the next 12 months, 55% said they are likely to stick with the same operator/brand, while 26% will switch. Of those likely to switch, 66% want to try a different brand, and 50% want a different itinerary. As to the number of vacations taken in a year, on average, 49% of sources take one to two vacations per year, while 29% take three or more, and 22% less than one on average. 15% take a cruise at least twice a year, while 66% take a cruise longer than every other year.

IT & Cybersecurity Spending–US



Grassroots® commissioned a study to assess cybersecurity spending trends and durability in the US. The study involved interviews with cybersecurity value-added resellers, distributors, and consultants who work with vendors such as Fortinet, Microsoft, Qualys, Bit Defender, Sophos, Sonic Wall, CrowdStrike, Cisco, Palo Alto, Barracuda, Sentinel One, and Trend Micro to gauge preferred vendors in the cybersecurity space.

Regarding IT budgets, 71% of sources reported flat budgets for the second half of 2024 compared to the first half, while 14% saw increases and another 14% saw decreases. In terms of IT security spending over the past 12 months, 64% of clients reported flat spending compared to the previous year, 32% reported increases, and 4% reported decreases, with an average increase of 2%. One source noted, “It’s all about increasing return on investments (ROI) they have already made in cybersecurity.” In the next 12 months, 40% of sources expect IT security spending to remain flat, while 37% anticipate a 4% increase. During an economic downturn, 95% of sources believe the cybersecurity budget is least likely to be cut, though 5% say this could vary by client.

The top security vendors in innovation, technology, and overall offering were Fortinet and Microsoft, followed by Barracuda, Sophos, Proofpoint, Sonic Wall, Sentinel One, Threat Locker, Palo Alto, CrowdStrike, Cynet, ArmsCyber, and Qualys. For the remainder of 2024, the top security priorities are cloud security, endpoint protection, SIEM, user/awareness training, protection/backup, ransomware, and firewall. These are followed by resiliency, evaluating the environment, email spam filtering, XDR, networking, MDR, email security, social engineering, identity, privileged access management, MFA, SSO,

and business continuity. Notably, 46% of sources reported that their priorities had not changed since last year.

When asked about the impact of AI on demand, 68% of sources said interest in AI has not driven demand for cybersecurity products, although this may change as AI increases susceptibility to security risks and becomes more widely incorporated in security products. Meanwhile, 32% said it has already driven demand. One source noted, “There is not a direct link. For the moment, many are fearful of AI and/or are waiting for AI to become more cost-effective in the near future.”

Regarding the recent push toward platformization by large vendors, 94% of sources said it has not changed over the past three months, while one source said it was accelerating. “AI has definitely driven demand. We offer cybersecurity awareness training to deal with deep fakes, for instance, and being able to identify and monitor users’ actions based on AI-driven threats of hacking or penetration.”

Regarding the impact of high-profile cyber breaches, 57% of sources reported no direct impact on their business from the breaches in 2024. One source noted, “Many clients are already equipped with all they need in terms of cybersecurity, so these breaches are less newsworthy and impactful for that reason too.” Meanwhile, 33% of sources said the breaches have directly or indirectly driven cybersecurity spending. Additionally, 4% of sources could not determine the impact, and another 4% said the impact depends on specific breaches. One source commented, “I say that our best marketing is the media and word of mouth about hacks”

Smartphone Intelligence & Technology Adoption Trends –Global

Grassroots® conducted a survey among smartphone users in the US, China, Japan, UK, Germany, France, and Italy to assess the impact of the recent Apple Intelligence announcement on iPhone demand and consumer purchase intentions. When considering a new smartphone, 60% of respondents indicated that price is the most important factor, followed by the operating system (55%) and hardware features (53%).

In the past three months, 34% of sources have considered purchasing a new smartphone sooner than originally planned, with 31% of these respondents citing unexpected damage or malfunction as the reason.

Additionally, 48% of sources are familiar with the recently announced Apple

Intelligence features. Of those familiar with these features and planning to change their smartphone upgrade plans, 85% of sources would break their carrier contract or pay more to upgrade to the newer iPhones coming in 2024. Conversely, 9% of respondents would not break their carrier contract, with 45% stating they always upgrade on a set cadence.

Furthermore, the survey explored familiarity with large language models (LLMs) among respondents. It found that 47% of sources are familiar with ChatGPT, 26% with Apple Intelligence, and 27% with Google Gemini. Among those familiar with LLMs, 41% of sources prefer ChatGPT, 24% prefer Apple Intelligence, and 17% prefer Google Gemini.

Chipotle Trends –US

Grassroots® interviewed Chipotle managers across the US about traffic and digital sales trends, sales drivers, and technology initiatives. For Q3 2024, traffic compared to Q2 is up for 32% of sources, down for 44% (due to seasonal trends), flat for 24%, consistently busy for 20%, and steady for 4%. Meanwhile, 96% of sources expect the upcoming smoked brisket limited time offer to boost both traffic and sales, with 76% recalling its popularity in 2021. Only 4% do not anticipate an increase.

Digital orders currently make up 45% of total sales, including mobile and 3rd party delivery. Additionally, 56% of sources report higher order rates of sides and extra protein for digital sales, while 44% see no difference between digital and in-restaurant orders. During peak 15-minute time slots, an average of 26 entrees are served. Over the past 12 months, 28% of sources have not seen an increase, while 72% have observed a rise due to Smarter Pickup Times technology, more staffing, and better training. All sources see potential for increasing peak-time entrée numbers. Among those commenting on improving throughput, 45% cited

more staffing, 20% new technologies, 20% increased traffic, and 12% more training.

Some source’s view Chipotle’s future automation initiatives as a significant driver of throughput. 65% of sources are most excited about the dual-sided grill, currently in early national rollout stages, while 39% find all initiatives meaningful. The the dual-sided grill is at ten locations, with 74 more planned this year out of over 3300 US restaurants. All sources agree that restaurant-level margins will rise over the next 12 months due to improved operational efficiencies (33%), better peak-time throughput (27%), more staffing (13%), and increased traffic (13%).

About Grassroots Research®

The Grassroots Research® division combines a variety of resources and methodologies, including in-house employees; a global network of independent, experienced journalists and consumer researchers; more than 50,000 industry contacts; and online panel surveys. We use this network to apply innovative market research and investigative journalism techniques to identify stock and sector trends before our competitors do.

Advantages:

- Continuous exchange of information between Grassroots® analysts and our investment professionals
- Expertise of independent journalists and consumer surveys to reach sources on the ground
- Technological tools to target consumer and business panels online
- Timely business insights via quick turnaround times
- 30+ years of experience conducting customized investigative market research around the world

Resources:

- Access to thousands of consumers in more than 50 countries via targeted online consumer and business panels
- On-the-ground investigators who conduct quantitative market research among consumers
- 55+ reporters who conduct interviews with industry experts
- In-house team based in the US
- 50,000+ industry contacts worldwide from a wide range of industries, including consumer, technology, healthcare, materials, industrials, energy and financial companies

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