2021

Audience Migration In Context

Leveraging Population Shifts To Unlock $4 Trillion In Buying Power

Insights.
Inspiration.
Impact.

About VAB

VAB is an insights-driven organization that inspires marketers to reimagine their media strategies resulting in fully informed decisions.

Drawing on our marketing expertise, we **simplify** the complexities in our industry and **discover** new insights that **transform** the way marketers look at their media strategy.

Simplify

We save you time by bringing you the latest data & actionable takeaways you can use to inform your marketing plans.

Discover

We keep you one step ahead with the latest thinking so you can create innovative, forward-looking strategies.

Transform

We help you build your brand by focusing on core marketing principles that will help drive tangible business outcomes.

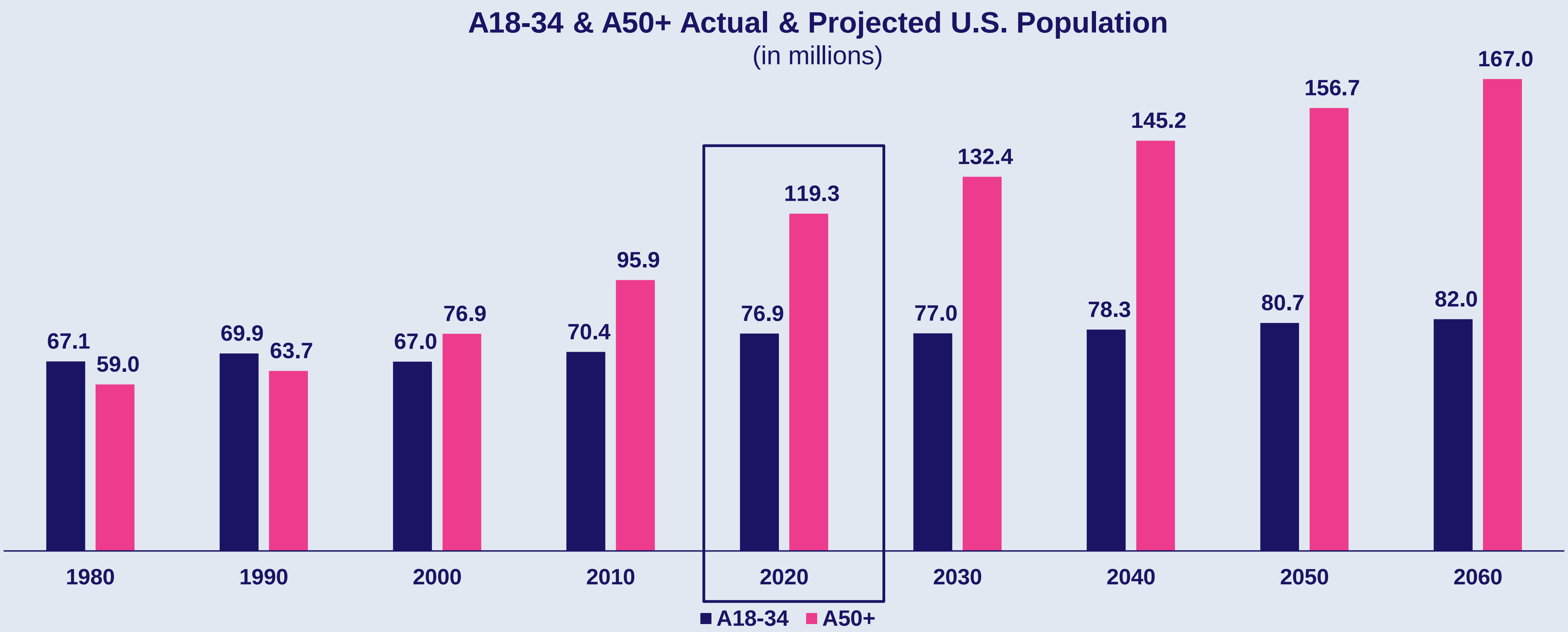
What You'll Learn…

- How traditional buying demographics have not kept up with shifting population trends and the aging of America
- The upside for marketers who embrace the purchasing power and buying habits of adults 55+
- Sizing the total market opportunity for consumer spending and TV impressions beyond a traditional buying demo (adults 25-54)
- The ability of TV to drive brand outcomes for digital-native, data-driven brands through older audiences

There is a disconnect between shifting U.S. population trends and many brands' targeting priorities…

Many brands continue to fixate on adults 18-34 while ignoring the fast-growing adult 50+ segment

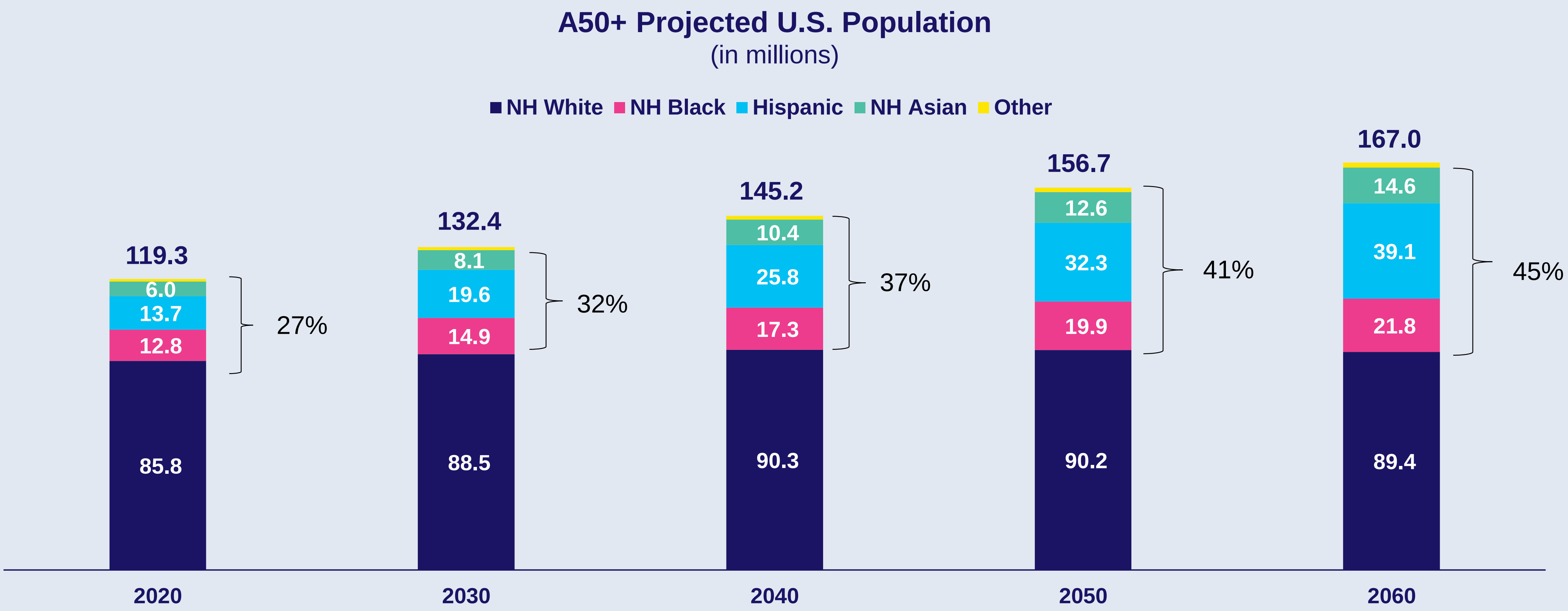
- By the end of 2020, there will be over 42 million more A50+ than A18-34, and by 2030 that gap will increase to over 55 million



Source: VAB analysis of U.S. Census Bureau data, Population Estimates for 1980, 1990, 2000, 2010; U.S. Census Bureau, Population Division: Washington, DC., *Projected Age Groups and Sex Composition of the Population: Main Projections Series for the United States, 2017-2060*.

Over the next decade, multicultural audience segments will account for 78% of the total adult 50+ growth

- By 2030, 10 million more multicultural people will have aged into the adult 50+ population and future growth will be driven primarily by these segments

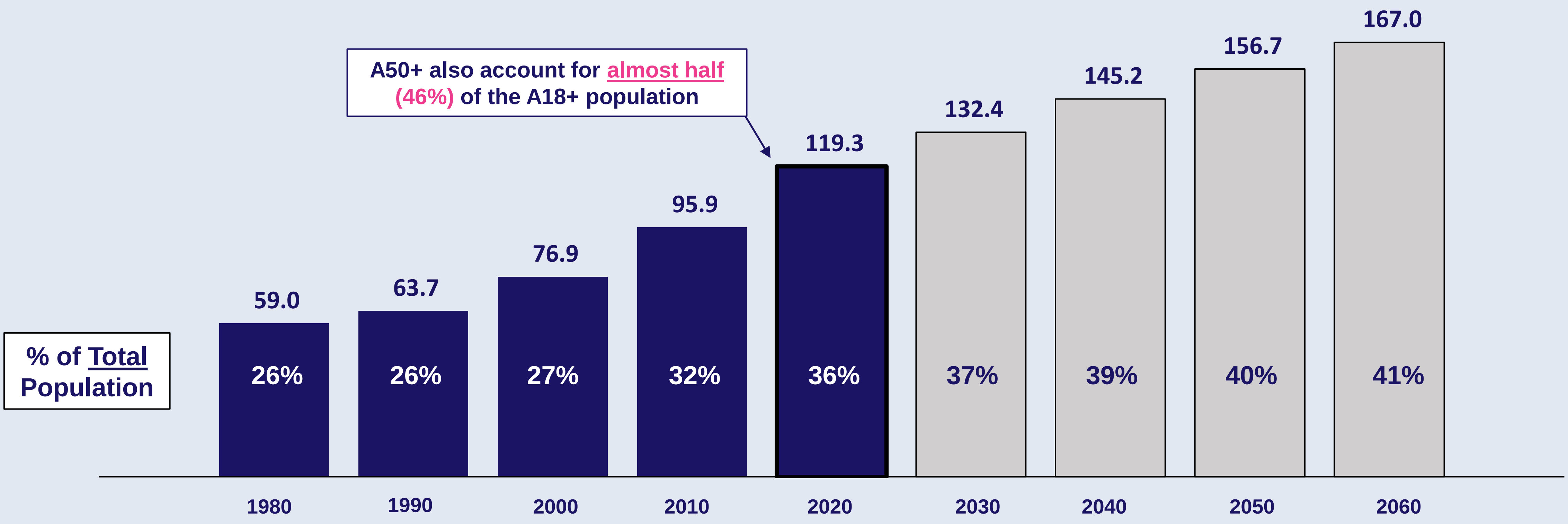


Source: VAB analysis of U.S. Census Bureau data, Population Division: Washington, DC., *Projected Age Groups and Sex Composition of the Population: Main Projections Series for the United States, 2017-2060*. NH = Non-Hispanic. Other – includes Non-Hispanic American Indian, Alaska Native, Native Hawaiian and Other Pacific Islander.

The adult 50+ population has doubled in size over the last 40 years, reflecting an increase of 60 million people

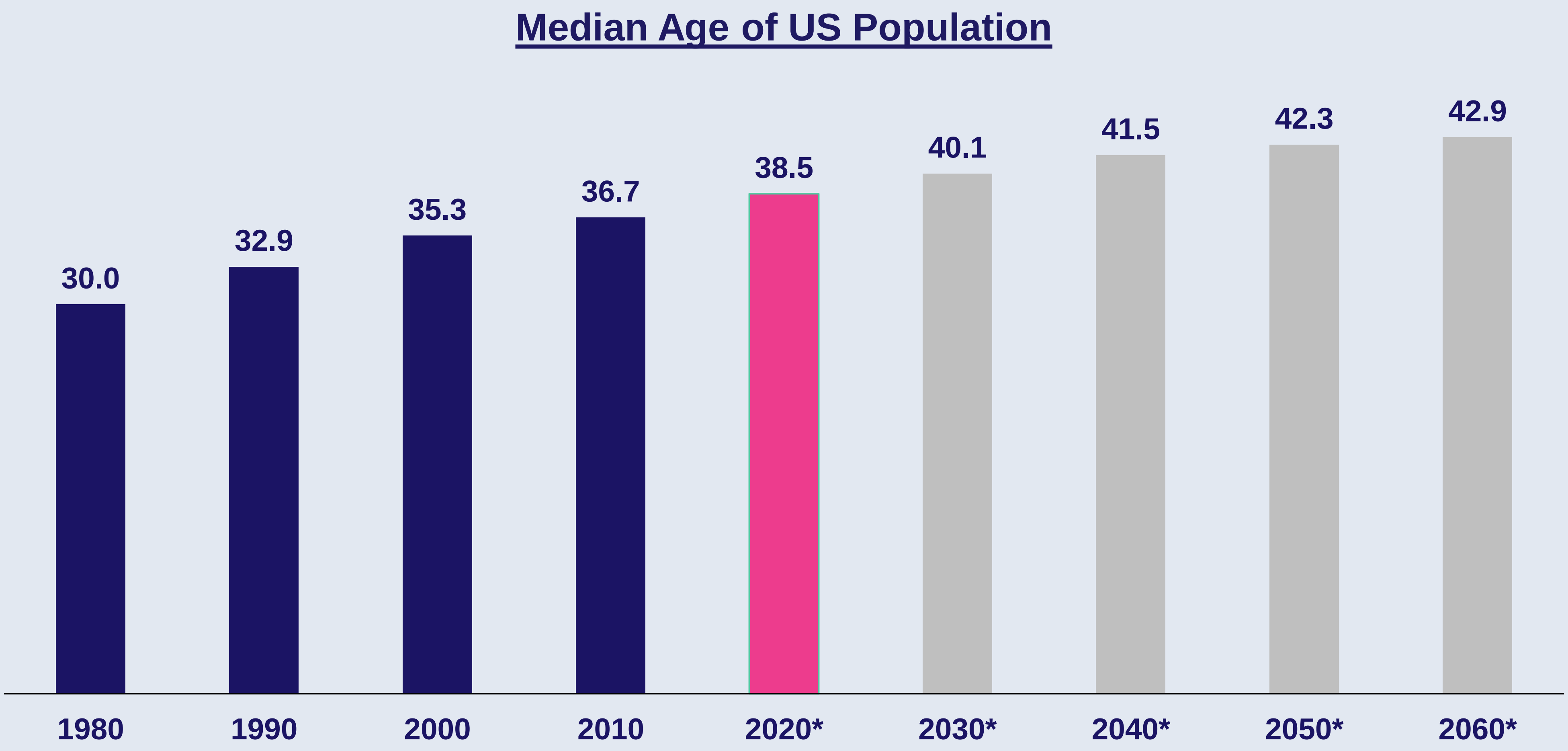
- Adults 50+ will continue to outpace the growth of younger demographics over the next several decades

U.S. A50+ Population, Actual and Projected
(in millions)



Source: VAB analysis of U.S. Census Bureau data, Population Estimates for 1980, 1990, 2000, 2010; U.S. Census Bureau, Population Division: Washington, DC., *Projected Age Groups and Sex Composition of the Population: Main Projections Series for the United States, 2017-2060*.

Pushing up the U.S. median age by nearly 30% over the last 40 years

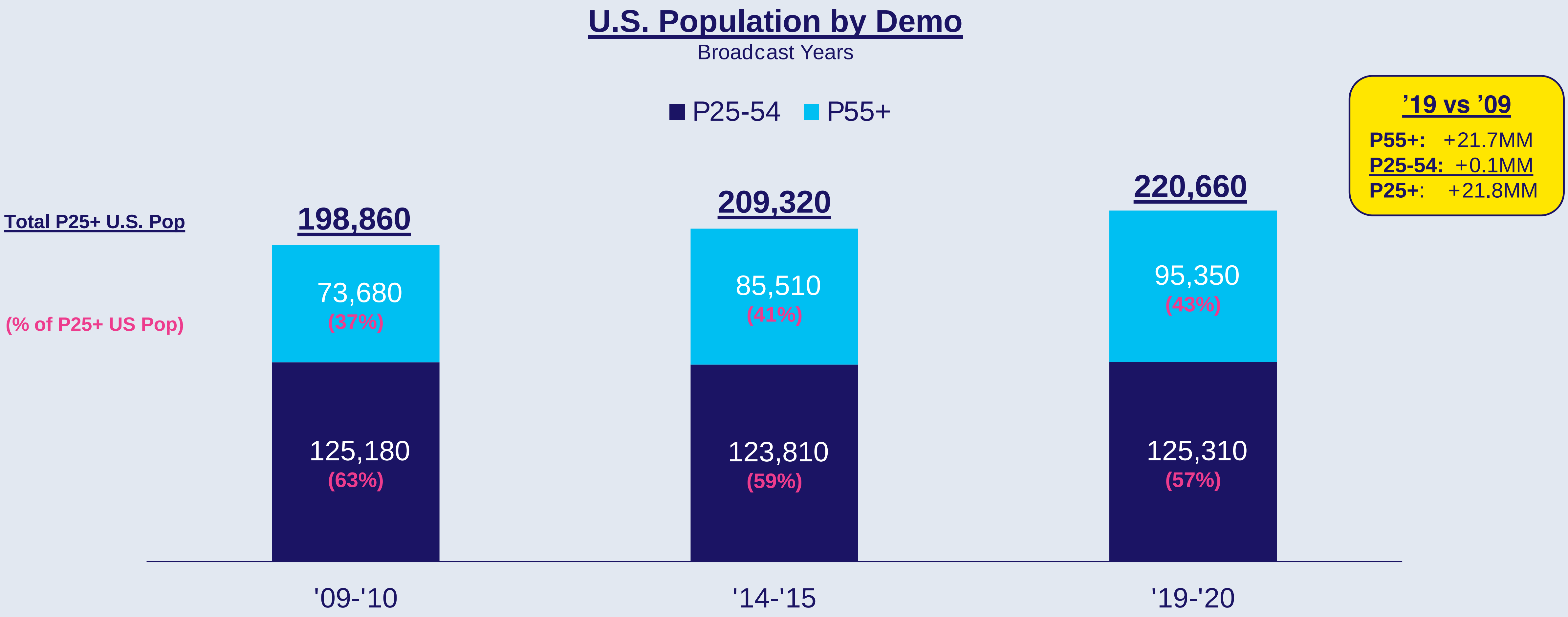


Source: VAB analysis of U.S. Census Bureau data, Population Estimates for 1980, 1990, 2000, 2010; U.S Census Bureau, *Projected 5-Year Age Groups And Sex Composition of the Population, 2017 – 2060*. * = Projected Median Age.

Additionally, most brands still adhere to traditional buying demos, eliminating a significant portion of the television audience…

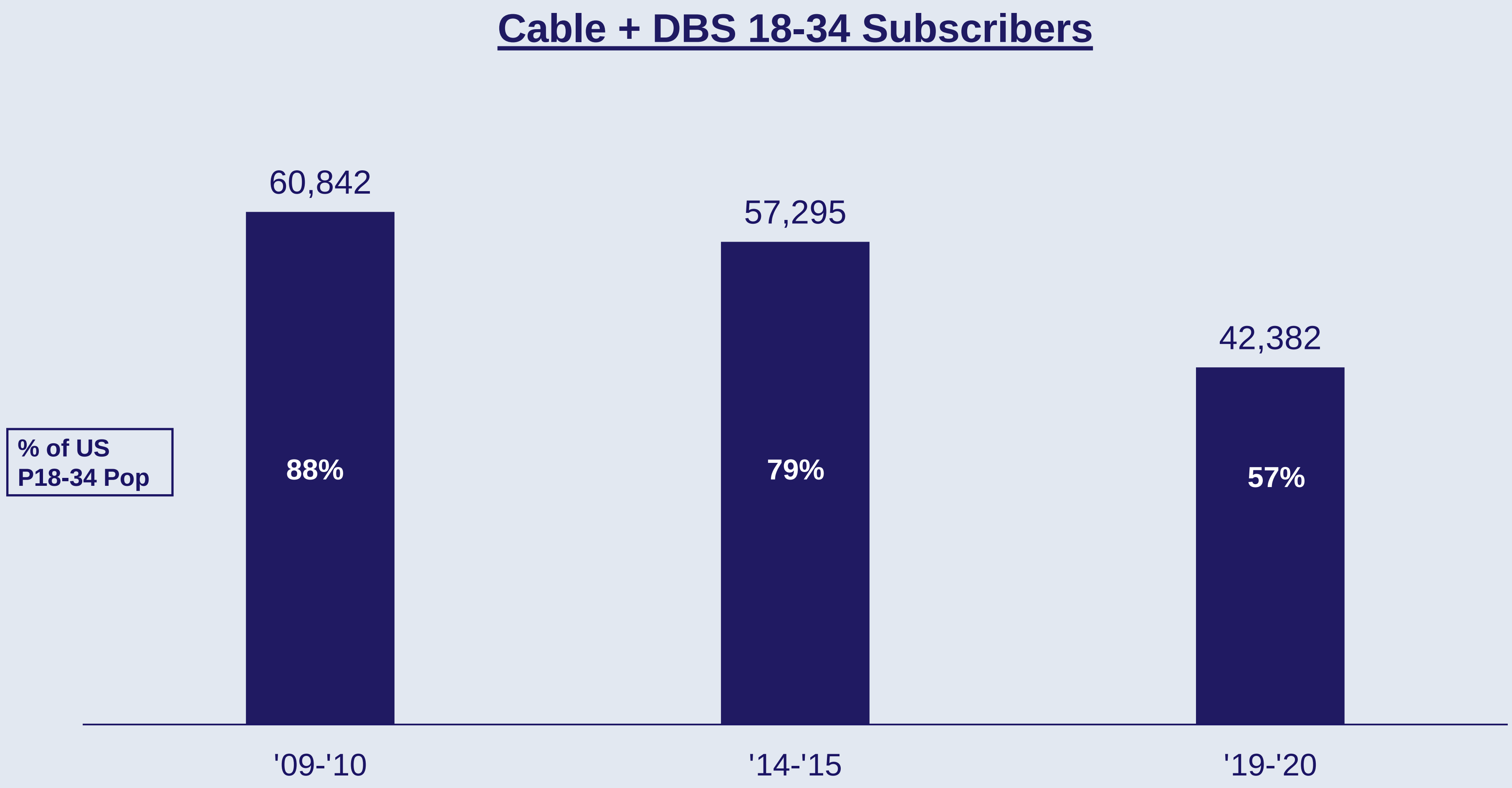
In the last 10 years, nearly 22 million adults have aged out of the 25-54 buying demo

- There was virtually no replacement for those adults by the younger population entering the demo



Source: VAB analysis of Nielsen Universe Estimates data, Total U.S., Base: P25+, years reflect that following: 8/31/09-8/29/10, 9/1/14-8/30/15 & 8/26/19-8/30/20.

In addition, 18 million adults 18-34 have cut the cord, lowering penetration to 57%



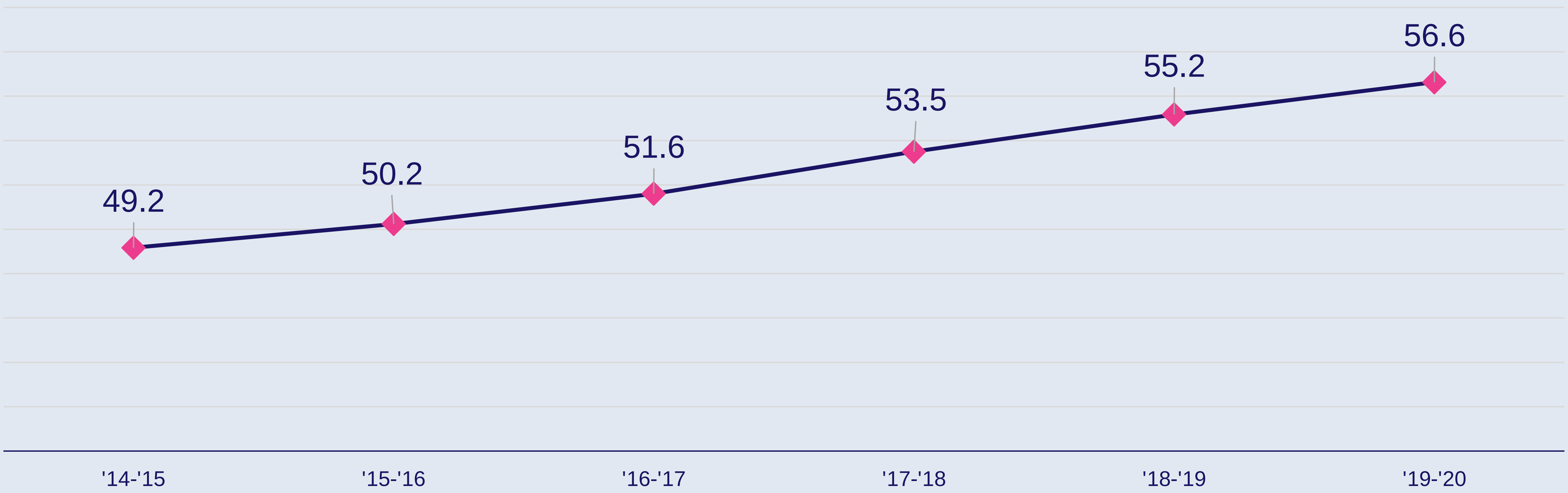
Source: VAB analysis of Nielsen Universe Estimates data, Total U.S., Market Breaks (Cable + DBS), Base: P18+, years reflect that following: 8/31/09-8/29/10, 9/1/14-8/30/15 & 8/26/19-8/30/20.

Therefore, it's no surprise, the linear TV viewer is aging

- Over the past 5 years, the average age of the national TV viewer has increased by 7 years

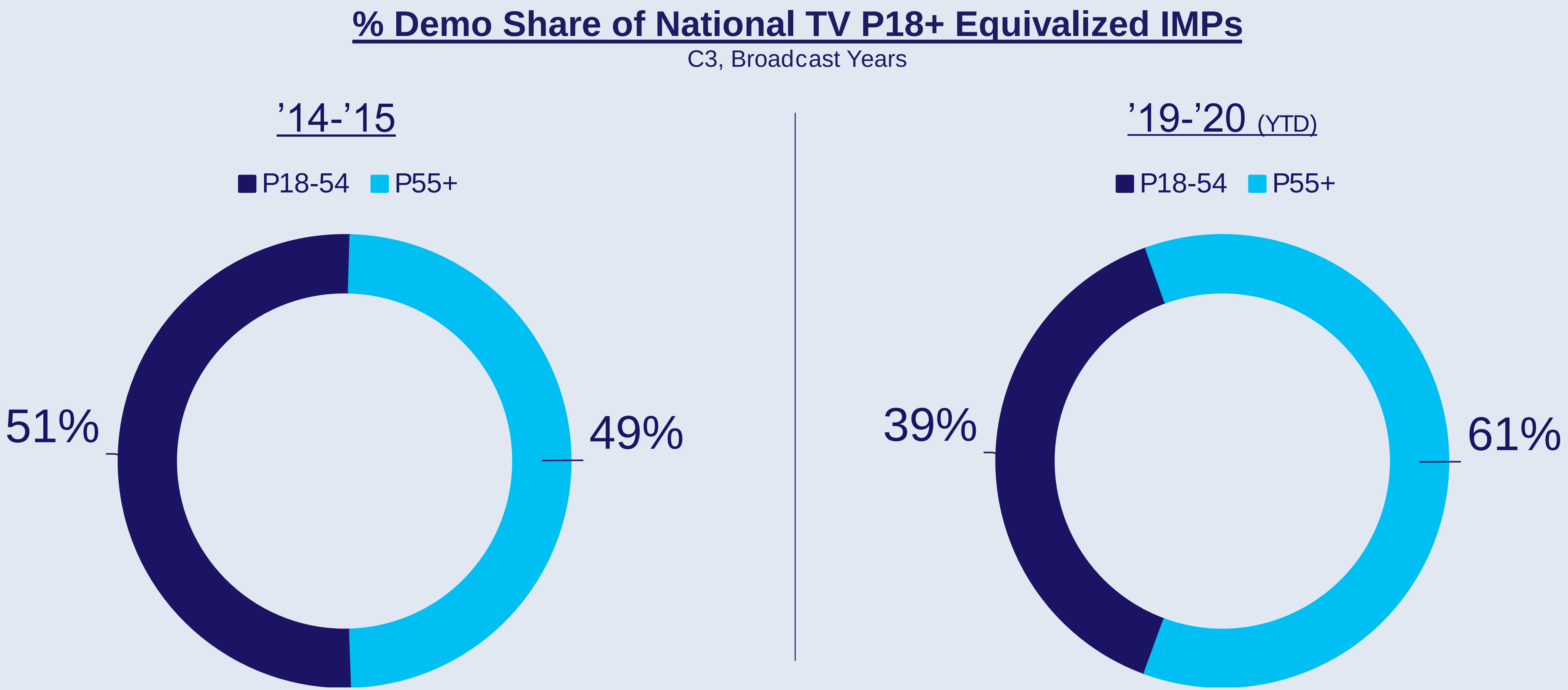
Weighted Average Median Age By Year: Ad-Supported National TV

Live+7, Broadcast Years



Source: VAB analysis of Nielsen Ratings Analysis Time Period Report data , National TV (broadcast TV and cable TV including Spanish language networks), Live+7, Total Day, P2+, Broadcast Years represent: 9/22/14-9/20/15, 9/21/15-9/18/16, 9/19/16-9/24/17, 9/25/17-9/23/18, 9/24/18-9/22/19, 9/23/19-5/31/20 (YTD based on when analysis was conducted). Note: median ages by network were weighted on average viewership and network duration in order to formulate an overall weighted average median age across media.

With the combination of an aging population and cord cutting, 61% of TV ad impressions are delivered against adults 55+

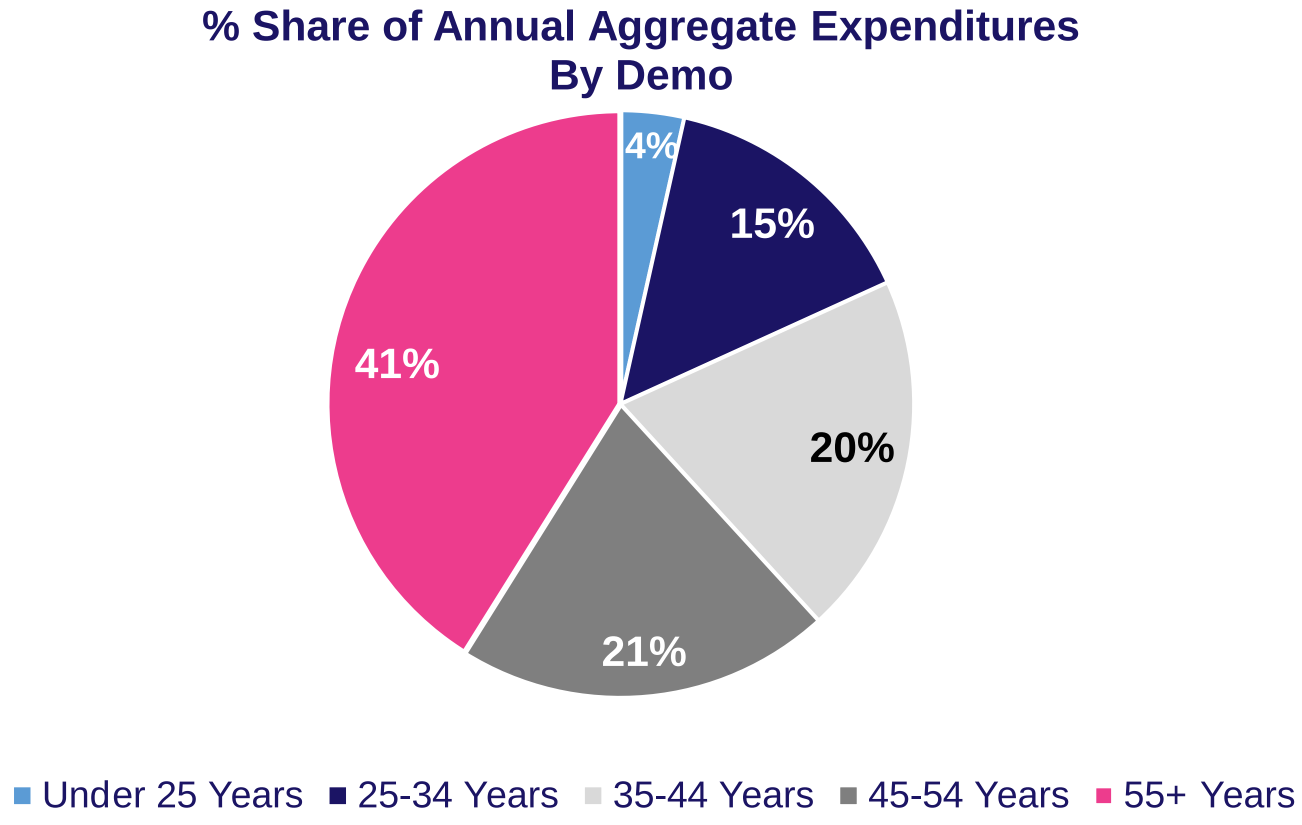


Source: VAB analysis of Nielsen Ad Intel data. National TV (broadcast TV, cable TV), Total Day, All Genres, C3, excludes Promos / PSAs / Local Avails, Broadcast Years represent: 9/22/14-9/20/15 & 9/23/19-5/31/20 (YTD based on when analysis was conducted). Base: P18+. Note: C3 stream does not include Spanish-Language network data.

By ignoring adults 55+, brands are overlooking a group that controls 4 out of 10 dollars spent in the U.S. each year…

Adults 55+ account for 41% of annual total U.S. expenditures

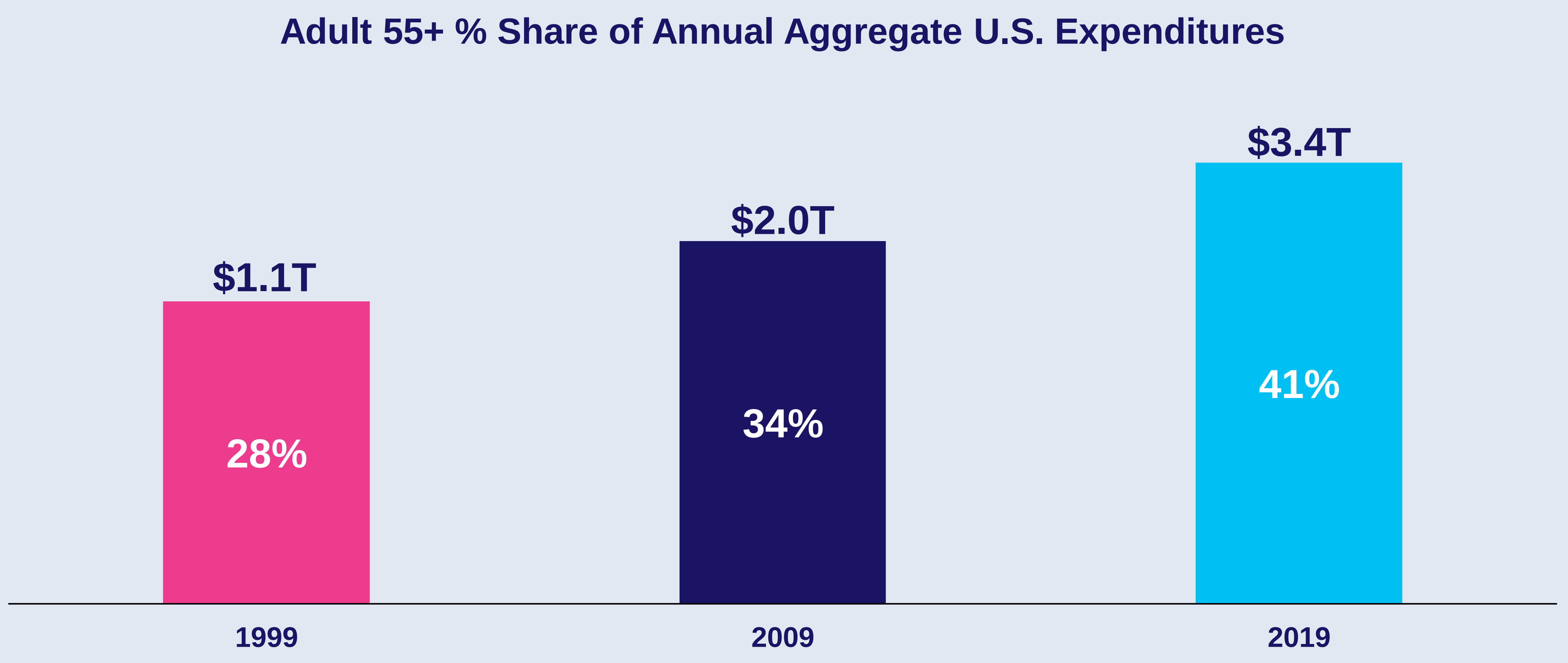
This translates to **$3.4 trillion** in total yearly spend



Source: VAB analysis of *Consumer Expenditure Survey 2019* data, U.S. Bureau of Labor Statistics, reported as of September 2020, Data represents adults 55+ due to data age group breakouts.

Adults 55+ have become a powerful buying segment as their annual spending has increased by over $2 trillion in the last two decades

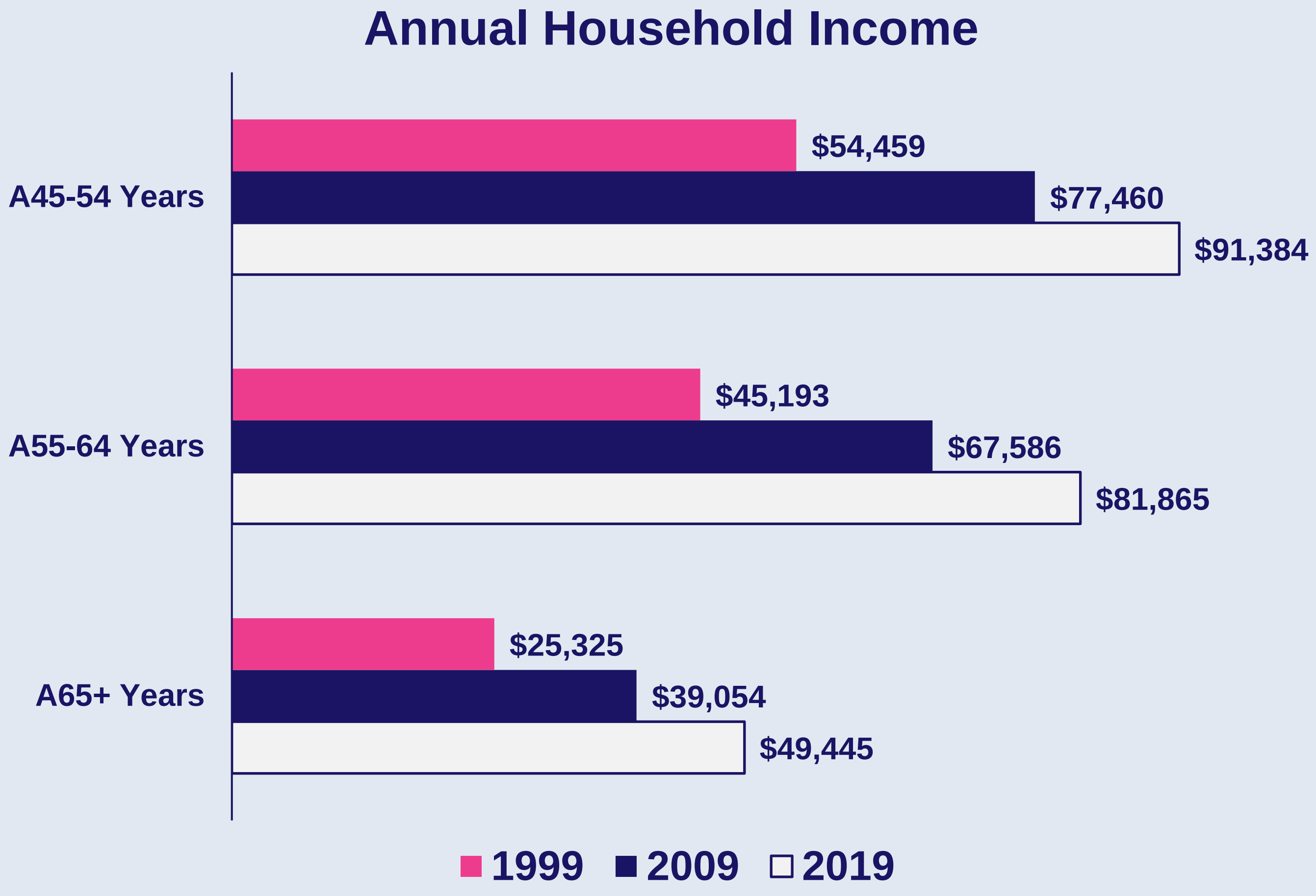
- Adult 55+ share of annual expenditures has increased 46% since 1999

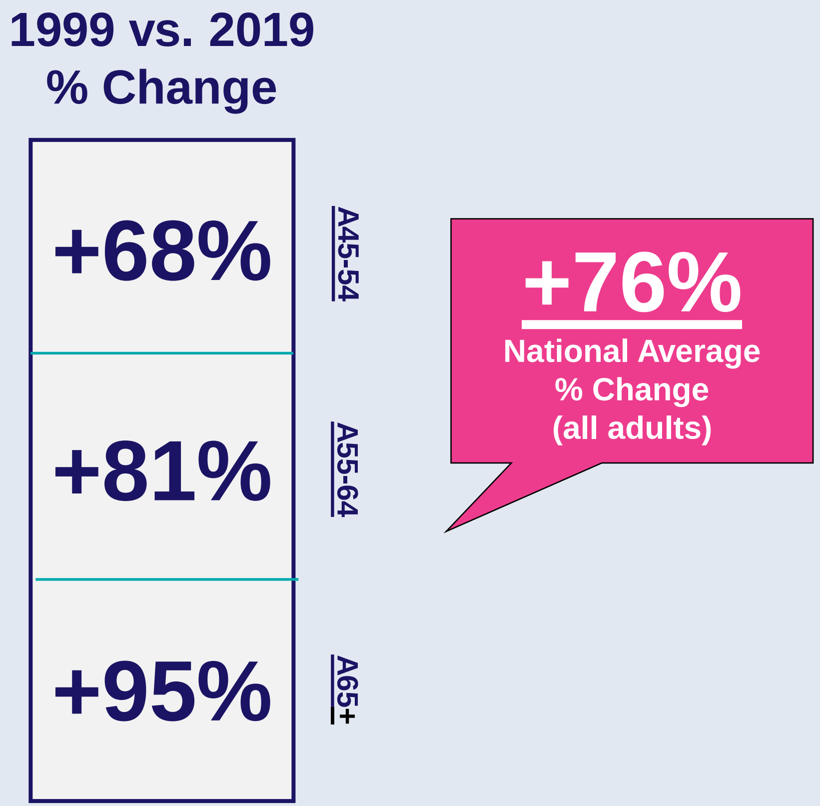


Source: VAB analysis of *Consumer Expenditure Survey* data, U.S. Bureau of Labor Statistics, 1999, 2009 & 2019, Data represents adults 55+ due to data age group breakouts.

Working later into life, this group is filled with active buyers and not “retirees” with limited spending power

- Their household income has outpaced the national average increase over the past 20 years





Source: VAB analysis of Consumer Expenditure Survey, U.S. Bureau of Labor Statistics, 1999, 2009 & 2019; Reflects income after taxes.

Adults 55+ collectively spend more on consumer goods & services than any other demographic segment

- In fact, on average adults 55+ are responsible for 42% of the spending across the top consumer categories

A55+ Total Annual Expenditures By Category

(% Share of Total Category Spend)

$633.5B (39%) Housing	**$381.8B** (56%) Healthcare	**$259.3B** (42%) Food at Home	**$208.0B** (36%) Vehicle Purchases	**$170.0B** (37%) Food Away From Home	**$119.2B** (43%) Household Furnishings & Equipment	**$102.7B** (37%) Gasoline / Fuel
$75.1B (40%) Phone Services	**$61.1B** (46%) Audio & Visual Equipment & Services	**$55.7B** (29%) Education	**$49.3B** (49%) Housekeeping Supplies	**$49.0B** (42%) Entertainment Fees / Admissions	**$44.4B** (43%) Transportation	**$40.3B** (45%) Pets
$39.7B (40%) Personal Care Products & Services	**$35.5B** (38%) Women & Girls Apparel	**$34.3B** (45%) Alcohol	**$19.1B** (32%) Men & Boys Apparel	**$18.2B** (33%) Footwear	**$7.0B** (57%) Reading	

Source: VAB analysis of *Consumer Expenditure Survey 2019* data, U.S. Bureau of Labor Statistics, reported as of September 2020. Data represents adults 55+ due to data age group breakouts.

With plenty of disposable income and time on their hands, adults 55+ are more active and spend more than millennials

More disposable income, and often less demanding family responsibilities, frees older adults to indulge their interests and spend on their hobbies

In many ways, they are more active than younger millennials

A55+ Spend **12% More Time**
Than Younger Millennials
Eating & Drinking

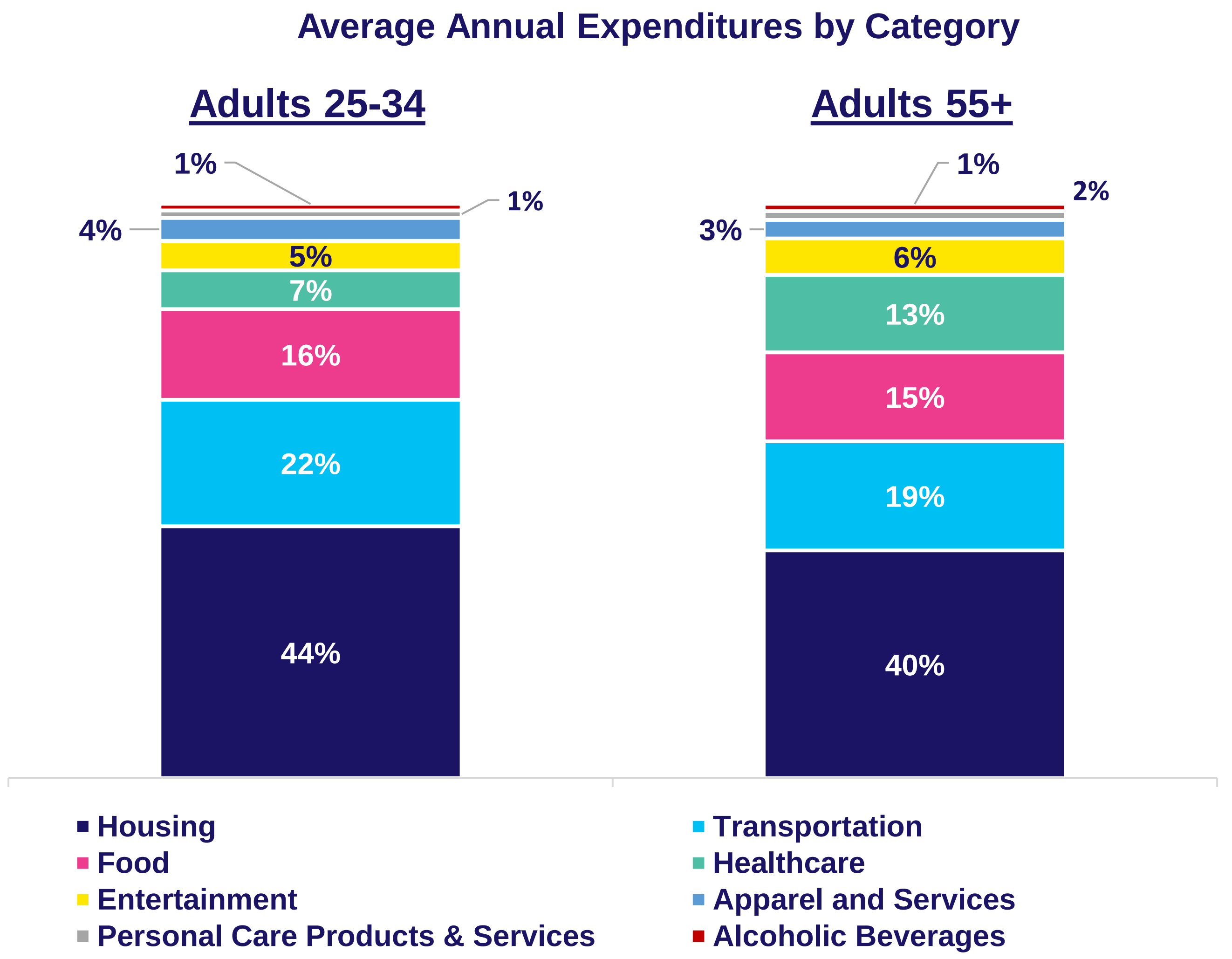
A55+ Spend **46% More Time**
Than Younger Millennials
Shopping

A55+ Spend **57% More Time**
Than Younger Millennials
Doing Leisure Activities & Sports

A55+ Spend **51% More Time**
Than Younger Millennials
Doing Household Activities To Maintain Their Homes

Source: VAB analysis of Bureau of Labor Statistics data, *American Time Use Survey*, 2019, % Share Based on Average Hours Per Day Spent in Primary Activities; data represents A55+ due to data breakouts; Younger Millennials = A25-34 due to data breakouts.

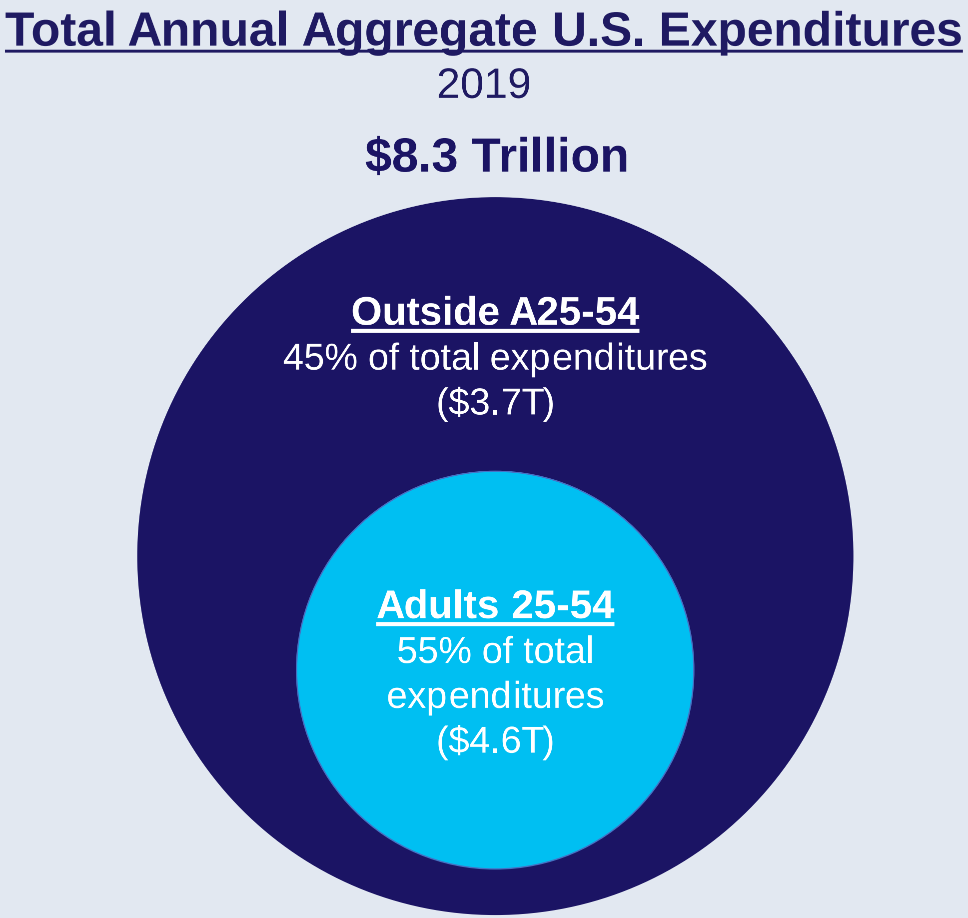
They buy across the same categories of goods and services as millennials



Source: VAB analysis of *Consumer Expenditure Survey 2019* data, U.S. Bureau of Labor Statistics, reported as of September 2020, Adults 55+ calculated based on a weighted average for Adults 55-64 and Adults 65 and older; Data represents adults 55+ due to data age group breakouts.

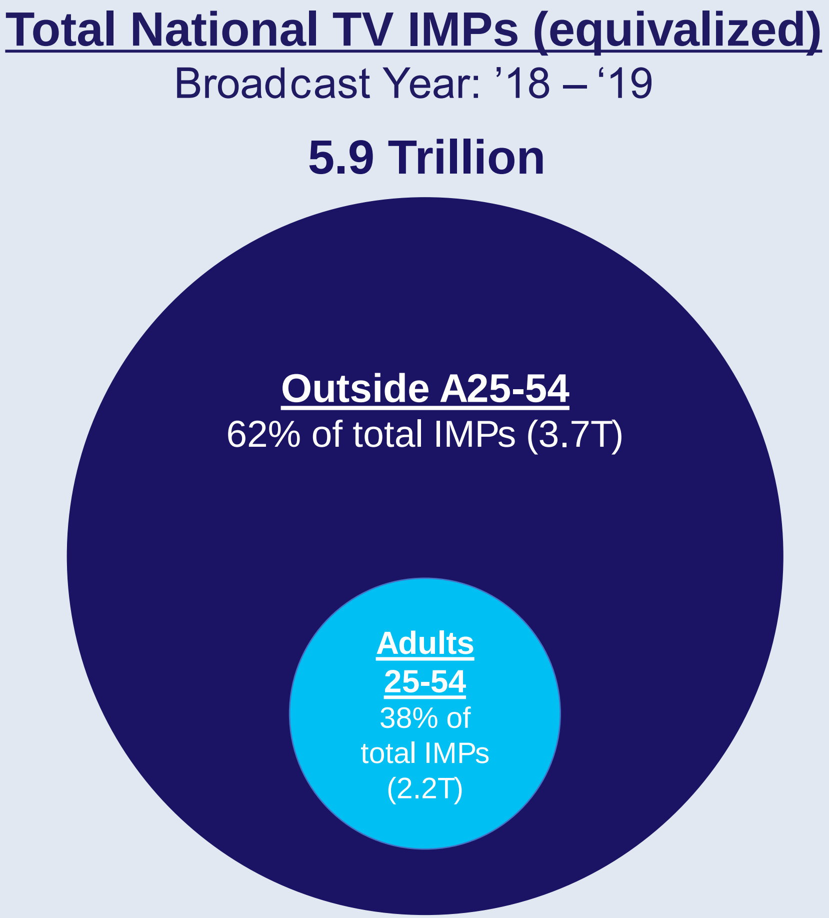
By being inclusive of the adult 55+ segment, brands automatically unleash $4 trillion more in consumer spending…

Opening the TV buying demo to all adults, rather than focusing on a traditional demo target like A25-54, unlocks access to consumers that spend nearly $4 trillion annually, or 45% of total U.S. expenditures



Source: VAB analysis of *Consumer Expenditure Survey 2019* data, U.S. Bureau of Labor Statistics, reported as of September 2020.

An adult 18+ buying demo also opens value within nearly four trillion national TV impressions, or 62% of the total, that can be included in TV plans for brands



Source: VAB analysis of Nielsen Ad Intel data. National TV (broadcast TV, cable TV), Total Day, All Genres, C3, Demos: P18-24, P25-34, P35-44, P45-54, P55-64, P65+, excludes Promos / PSAs / Local Avails, Broadcast Year represent: 9/24/18-9/22/19. Base: P18+. Note: C3 stream does not include Spanish-Language network data.

With sophisticated consumer profiles and 1st party data, savvy marketers understand age isn't what defines their customer

Marketers can now buy on buying habits or viewing behavior (programs, genres watched) which is a more accurate surrogate for their customer than a prescribed age bucket

Buying Habits

- In-Market Car Buyers
- Frequent Travelers
- Pet Owners
- Casual Diners
- Recent Homeowner
- Wine Drinkers
- Fast Food Regulars
- Financial Planners

TV Viewing Behaviors

- Sports
- Drama
- Comedy
- News
- Award Shows
- Documentaries

Direct-to-Consumer brands, who have experienced tremendous growth from television, lean heavily on audience-based buying and data & analytics to drive their decisions

TECOVAS

"(TV) has been game-changing for the business. We've been able to reach more new people on TV than any other channel…it has massively exposed us to a broader set of people.

Brandon Windle, Co-Founder & CMO, *Tecovas*
(Interview with Tatari.tv, 11/13/19)

HALO TOP

""We know that TV is a great way to expand our presence with a broader audience, who aren't necessarily that engaged digitally."

Justin Woolverton, CEO, *Halo Top*
(Business Insider, 3/5/19)

tvsquared

"None of my DTC brands talk about GRPs or cord cutting or ratings. They don't care as long as they get a sale."

Jo Kinsella, President, *TVSquared*
(Advertising Week, 'Why DTC Rewrote Their Media Strategies,' 9/24/19)

PELOTON

"Television continues to outperform most of our other marketing opportunities on a dollar-for-dollar basis,"

John Foley, Founder & CEO, *Peloton*
VAB's 'Founders Campaign' spot, May 2019

love YOUR melon

"Our goal is to continue to share our mission with new audiences. We are excited to see the impact this national TV ad campaign can make."

Zachary Quinn, President, *Love Your Melon*
(Business Wire, 10/30/19)

Casper

"We understand online very well, we also understand consumer behavior and we're a very data driven company. Those are all advantages we have, because that is basically where we came from."

Constantin Eis, Co-Founder & Global Managing Director, *Casper*
(Marketing Week, 8/29/18)

fabfitfun

"We have seen our TV advertising drive a new level of website and customer activity through its broad reach but also precision of finding our target audience."

Rachael Tann, Head of Acquisition Marketing, *FabFitFun*
(The Halo Effect: TV As A Growth Engine, Nov '20)

TOUCH OF MODERN

"When we started with television, it was just an experiment….Very quickly it actually ended up being the biggest portion of our marketing spend."

Jerry Hum, Co-founder & CEO, *Touch of Modern*
VAB's 'Founders Campaign' spot, May 2019

In fact, adults 50+ have been flocking to direct-to-consumer brands' digital platforms during the pandemic; brands that are also significant spenders on TV

Average monthly unique adult 50+ visitors increase by digital platform

6-month average YoY comparison: Apr-Sep '19 vs. Apr-Sep '20

Blue Apron	+35%	(+307K avg monthly UVs)
Calm	+26%	(+253K avg monthly UVs)
CARVANA	+89%	(+919K avg monthly UVs)
chewy	+18%	(+1.2MM avg monthly UVs)
DOORDASH	+30%	(+1.7MM avg monthly UVs)
purple	+28%	(+198K avg monthly UVs)
SimpliSafe	+9%	(+118K avg monthly UVs)
WARBY PARKER	+35%	(+235K avg monthly UVs)
wayfair	+30%	(+5.7MM avg monthly UVs)
Zillow	+20%	(+6.7MM avg monthly UVs)

Source: VAB analysis of Comscore MediaMetrix Media Trend multiplatform (desktop + mobile) data, April 2019 – September 2019 vs. April 2020 – September 2020, P50+, total digital population, total monthly unique visitors/viewers. Percentages = average monthly unique visitors increase between the two 6-month time periods.

The median age of many of these DTC brand platforms is rising as they attract a new, broader customer base

Median age by digital platform
September 2020

Blue Apron	43.1
Calm	44.9
Carvana	45.3
Chewy	48.9
DoorDash	34.8
Purple	48.4
SimpliSafe	58.2
Warby Parker	53.8
Wayfair	52.2
Zillow	45.0

Source: VAB analysis of Comscore MediaMetrix Media Trend multiplatform (desktop + mobile) data, September 2020. Base: P18+, total digital population, median adult age.

Presenting an opportunity for marketers, adults 50+ often feel they are underrepresented, misrepresented or ignored by advertisers

78%

say that they felt their age group was underrepresented and misrepresented in advertising

77%

of 50-59-year-olds feel that their age group is most ignored by advertisers

62%

believe that they are ignored because advertisers are too young to understand their market

49%

Avoid brands who actively ignore their age group

Source: Gransnet, *Ageism in Advertising: Fighting Marketing's Unconscious Bias,* 2018.

Most importantly, marketers can win over adults 50+ since, for many of them, their wallet is still up for grabs across goods & services

- There are more adults 50+ than adults 18-34 actively in the market looking for new, relevant products to purchase

= A18-34   = A50+

# of Consumers Who Are On The Lookout For New Products That Are Relevant To Them

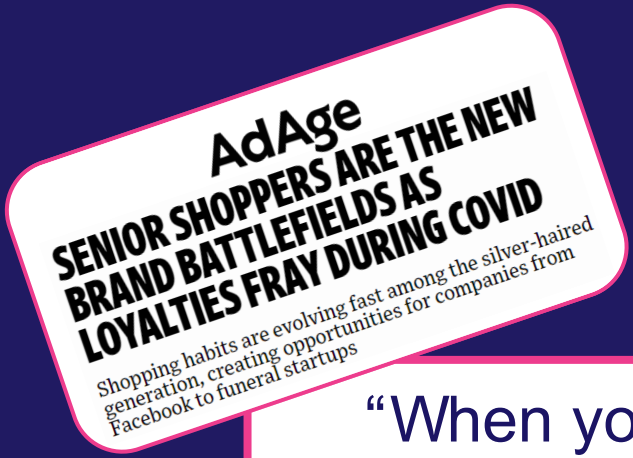
A18-34	A50+
43.4 Million	56.0 Million

# of Consumers Who Enjoy Variety In The Products They Purchase

A18-34	A50+
27.7 Million	28.8 Million

Source: GfK MRI, 2019 Doublebase; Consumers Who Are Always On The Lookout For New Products That Are Relevant To Them = *Any Agree [I enjoy wandering the store looking for new, interesting products],* Consumers Who Enjoy Variety In The Products They Purchase = *Any Agree [I like to change brands often for the sake of variety and novelty].*

And while this trend existed pre-pandemic, it has become even more prevalent during COVID-19


AdAge

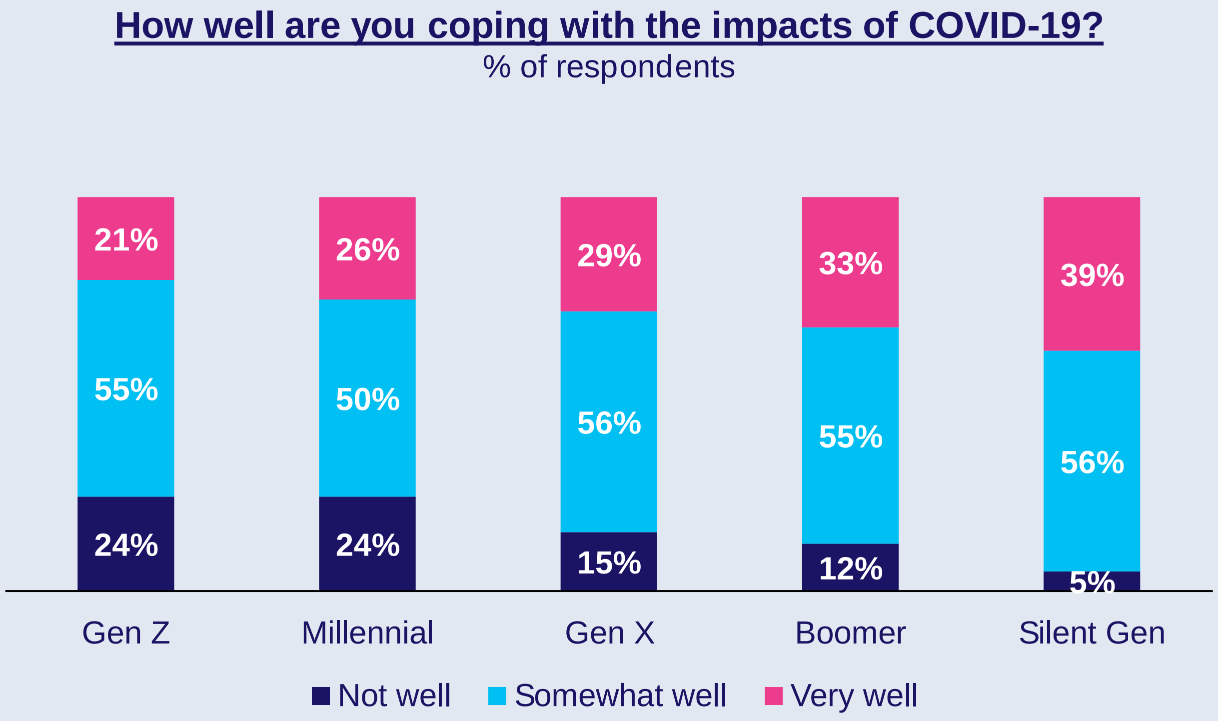
SENIOR SHOPPERS ARE THE NEW BRAND BATTLEFIELDS AS LOYALTIES FRAY DURING COVID

Shopping habits are evolving fast among the silver-haired generation, creating opportunities for companies from Facebook to funeral startups

"When you have been a mother—the head of the household for 50 years—you have a lot of brand loyalty going on….**but with the time that we're in of COVID, there's no reason to not explore things.** We're forced to try them. As a result, that exposure has changed some of my buying."

Mary Lou Hoffar
77-year-old retired teacher
Ad Age, 10/15/20

Today, older Americans are valuable consumers and have shown resilience, both mentally and financially, in the face of a global pandemic



Source: Edward Jones, Age Wave, The Harris Poll, *The Four Pillars of the New* Retirement, 2020. Base: U.S. adults by generation: Gen Z (18-23), Millennial (24-39), Gen X (40-55), Boomer (56-74), Silent Gen (75+).

Key Takeaways For Marketing Plans

Acknowledge the U.S. Population Shifts

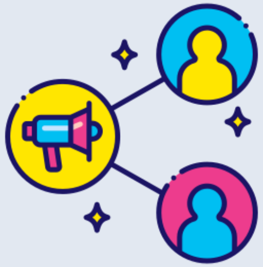
In 2020, adults 50+ account for almost half (46%) of the adult 18+ population, yet this often isn't reflected in many brands' targeting priorities.

Think (and Buy) Beyond the Demo

Audience-based buying is now a reality in TV and allows brands to target current & potential buyers which also unlocks access to $4 trillion in purchasing power outside of traditional buying demos like adults 25-54

Older Americans are Active Consumers

With plenty of disposable income and time on their hands, adults 55+ are more active and spend more than millennials.



Ensure Marketing Plans Effectively Reach Older Adults

With the combination of an aging population and cord cutting, 61% of TV ad impressions are delivered against 55+.

Think More Multicultural

Marketing plans should address the growth of older, but also more multicultural, consumers. As a result, successful campaigns will reflect more diversity and inclusivity.

Creators

Jason Wiese

SVP, Director of Strategic Insights
jasonw@thevab.com

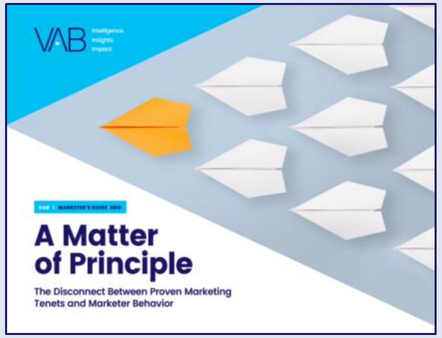
Leah Montner-Dixon

Insights Manager
leahm@thevab.com

Interested in learning more? Check out this related content:

The Age of Opportunity
Understanding the Consumer Value of Adults 50+

As Time Goes By
How Media Consumption Is Helping America Cope



A Matter of Principle
The Disconnect Between Proven Marketing Tenets and Marketer Behaviors

theVAB.com @VABintel VAB

Get immediate access to the VAB Insights library

We've answered hundreds of marketers' questions.

Our guides, reports, webinars and videos provide actionable insights to help marketers navigate today's video landscape and think differently about their strategy.

We are committed to your business growth and proud to offer brand marketers and agencies *complimentary access* to our continuously-growing Insights library.

Get Access at **theVAB.com** or visit us here