

# VABInspire

**Virtual Learning Series  
Winter 2021**

**Audience Migration:**  
How to Unlock \$4 Trillion in  
Consumer Spend



# Today's speaker

**Marianne Vita**

**VAB**

SVP, Director of Integrated Strategy &  
Marketing

[mariannev@thevab.com](mailto:mariannev@thevab.com)



Just Released!



**VAB members, brand marketers and agencies get free and immediate access to VAB's content library. Get access at [theVAB.com](https://theVAB.com).**

# What you'll learn today...

- 1 The Situation:** The group of Americans aged 50+ is growing significantly.
- 2 The Implication:** The natural result of an aging American population is an older linear TV audience, however that means there is a disconnect with traditional buying demos of 18-49 or 25-54.
- 3 The Opportunity:** There is a great up-side for marketers who embrace the purchasing power of older segments - nearly \$4 Trillion in consumer spending.
- 4 The Evolved Approach:** Shifting from a demo-based to an audience-first buying approach results in better targeting and greater ROI.

# What you'll learn today...

1 **The Situation:** The group of Americans aged 50+ is growing significantly.

2 **The Implication:** The natural result of an aging American population is an older linear TV audience, however that means there is a disconnect with traditional buying demos of 18-49 or 25-54.

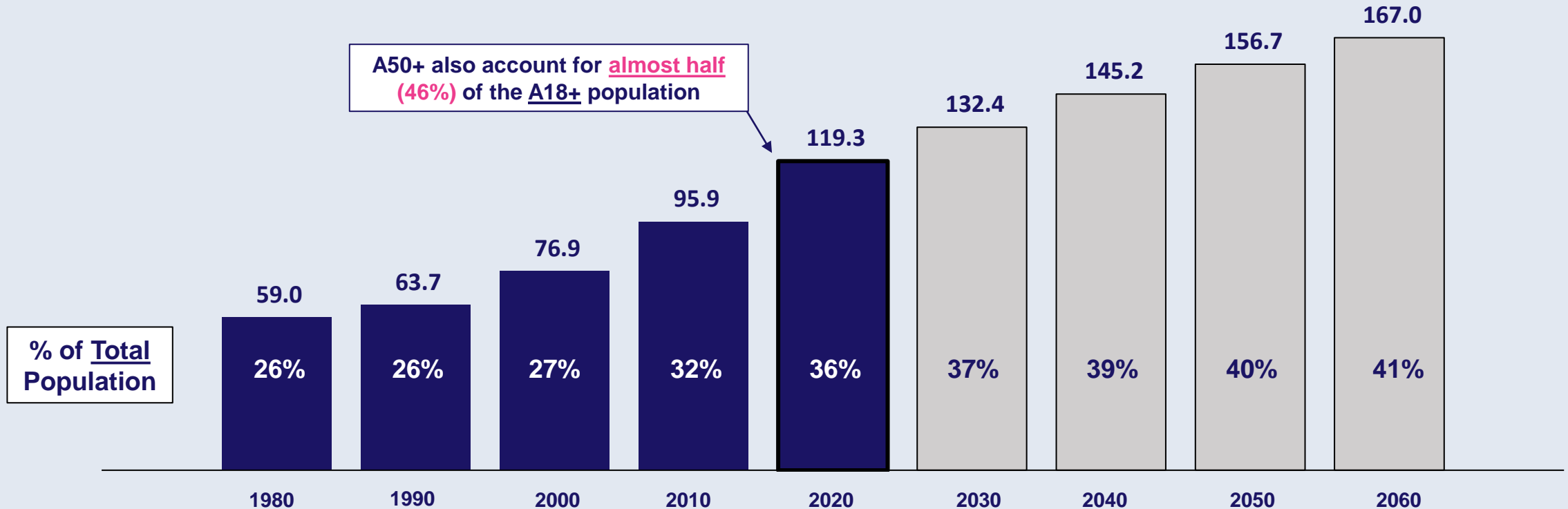
3 **The Opportunity:** There is a great up-side for marketers who embrace the purchasing power of older segments - nearly \$4 Trillion in consumer spending.

4 **The Evolved Approach:** Shifting from a demo-based to an audience-first buying approach results in better targeting and greater ROI.

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

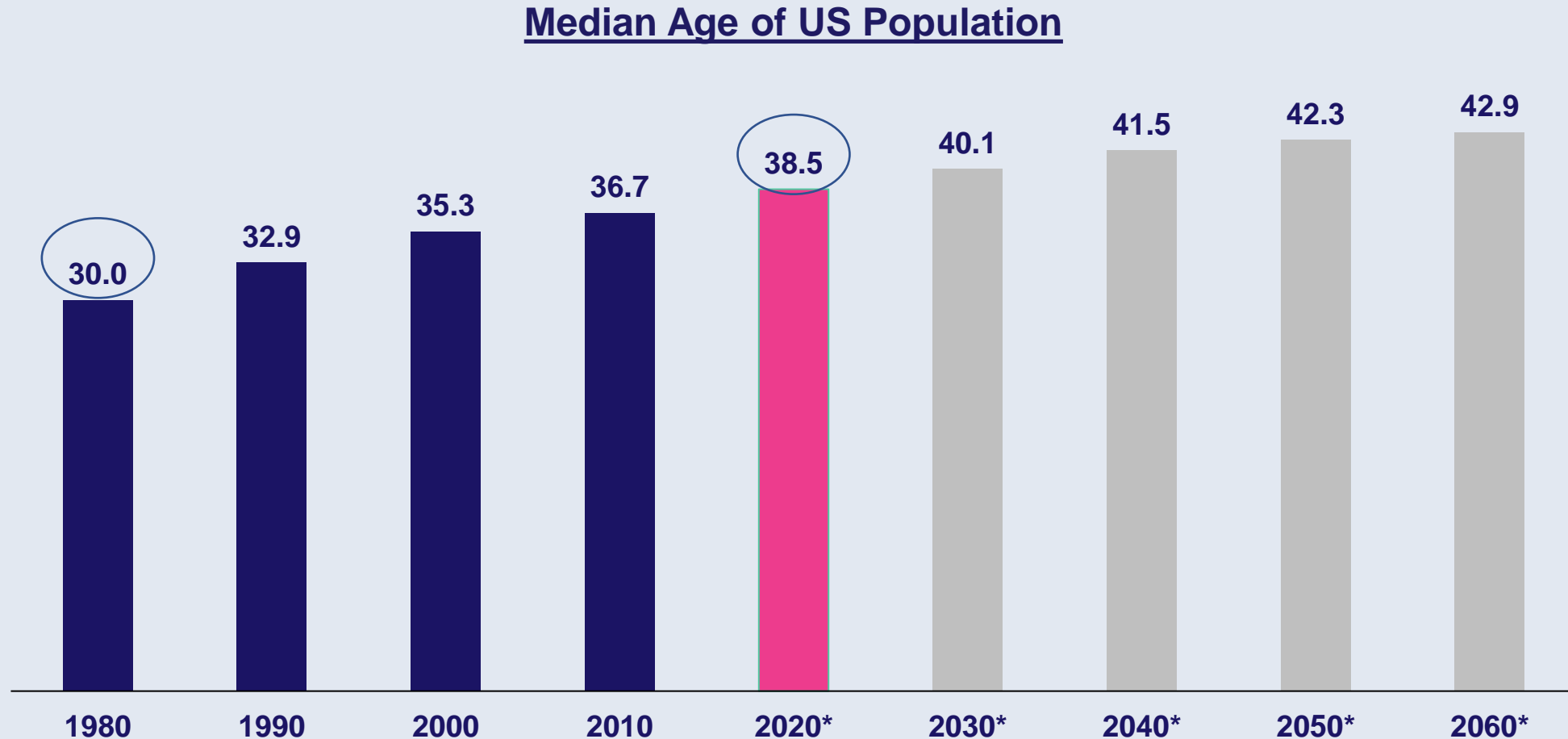
▶ Adults 50+ will continue to outpace the growth of younger demographics over the next several decades

## 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*.

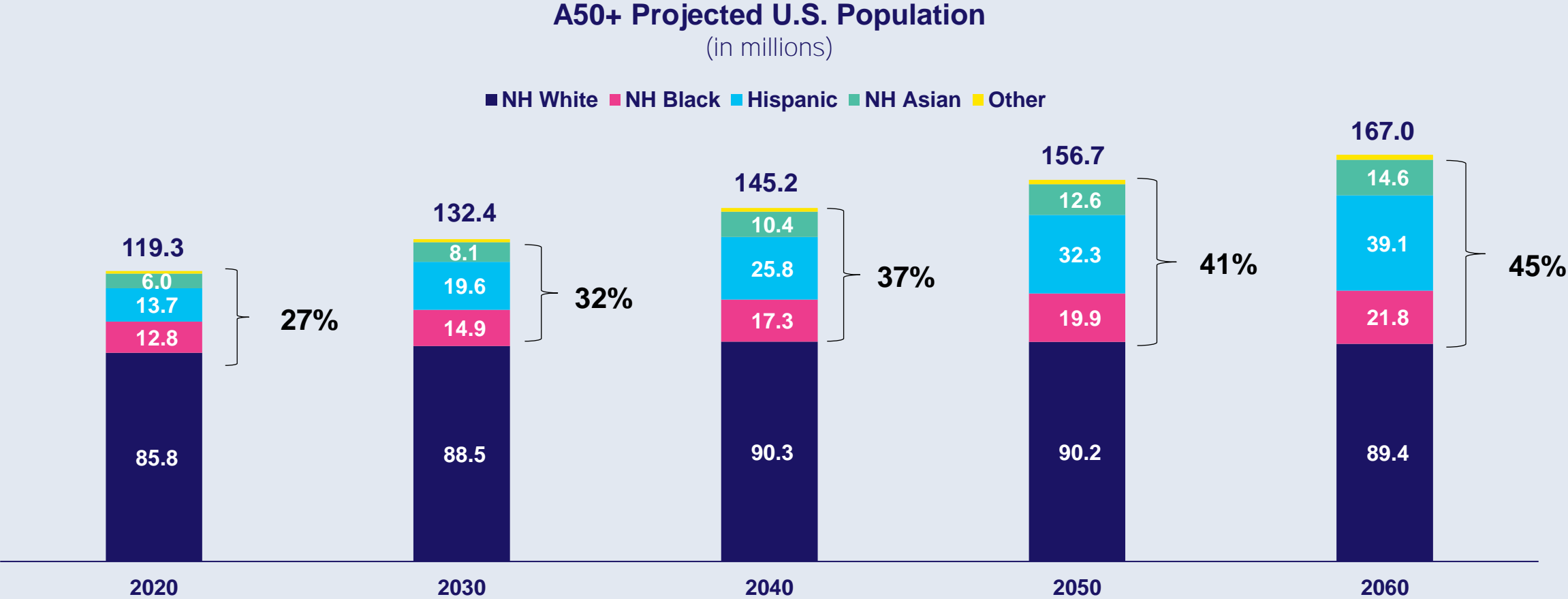
# Pushing up the U.S. median age by nearly 30% over the last 40 years



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.

# 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.



## What to remember

The U.S. population is growing older, resulting in significantly more Americans 50+ and that growth is coming largely from multicultural Americans.

# What you'll learn today...

1 **The Situation:** The group of Americans aged 50+ is growing significantly.

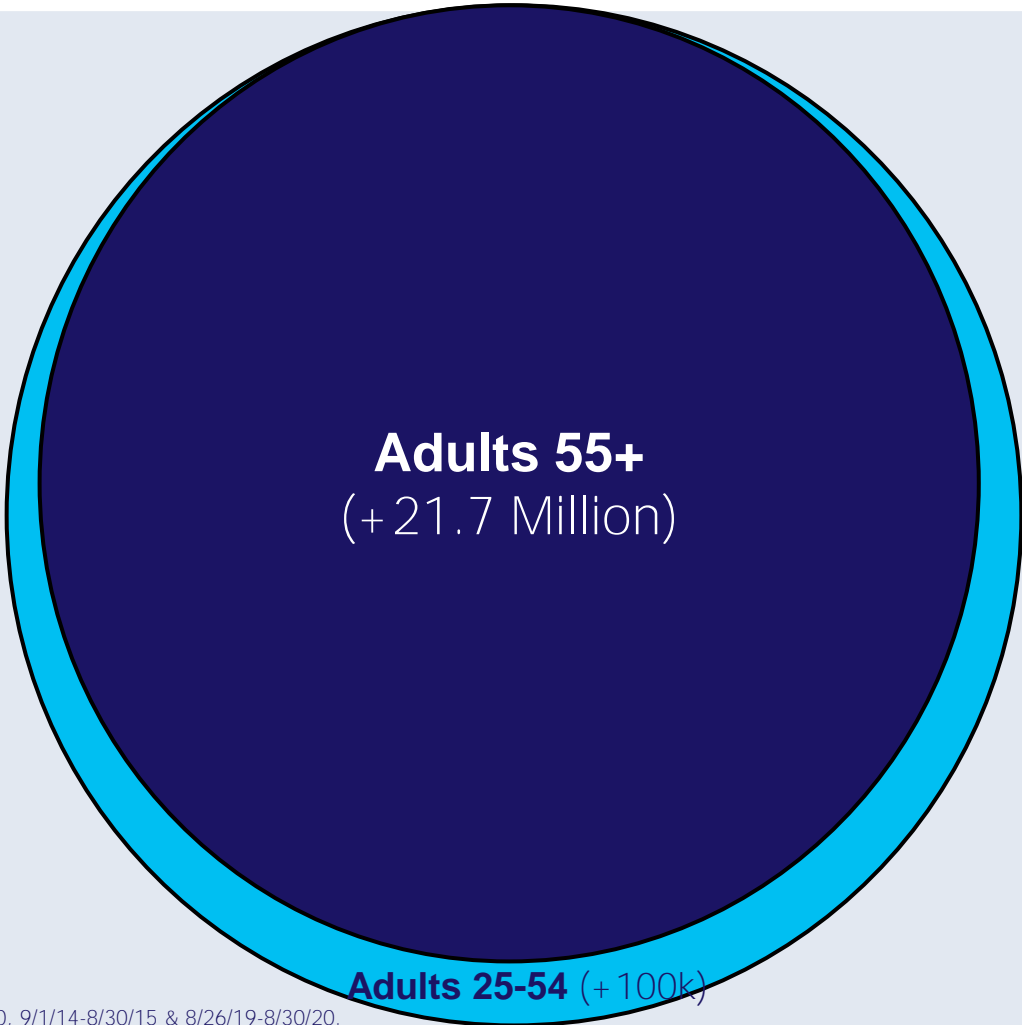
2 **The Implication:** The natural result of an aging American population is an older linear TV audience, however that means there is a disconnect with traditional buying demos of 18-49 or 25-54.

3 **The Opportunity:** There is a great up-side for marketers who embrace the purchasing power of older segments - nearly \$4 Trillion in consumer spending.

4 **The Evolved Approach:** Shifting from a demo-based to an audience-first buying approach results in better targeting and greater ROI.

# In the last 10 years, nearly 22 million adults have aged out of the 25-54 buying demo and were not replaced by younger people entering the demo

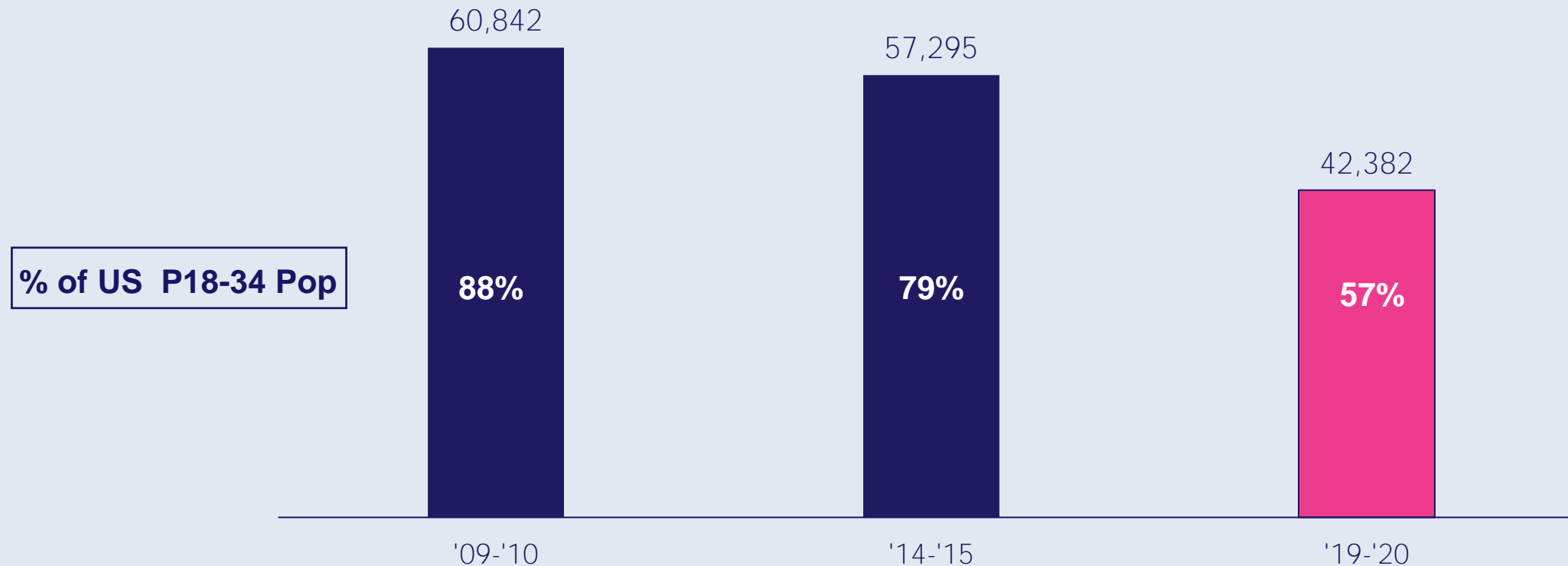
**Adults 25+**  
*Growth of 21.8 Million over last 10 years ('19 vs '09)*



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%**

**Cable + DBS 18-34 Subscribers**



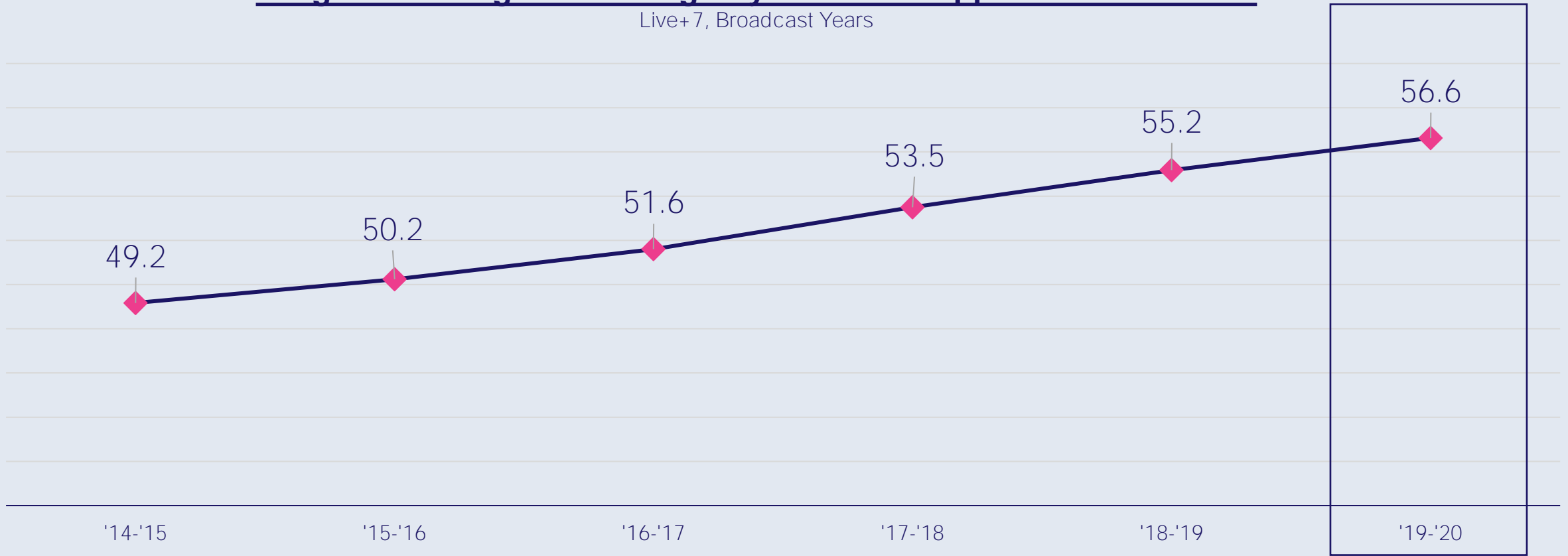
Source: VAB analysis of Nielsen Universe Estimates data, Total U.S., Market Breaks (Cable + DBS), Base: P18+, years reflect that following: 8/31/09-8/29/10, 9/1/14-8/30/15 & 8/26/19-8/30/20.

# 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 to about 57 years old

## 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.

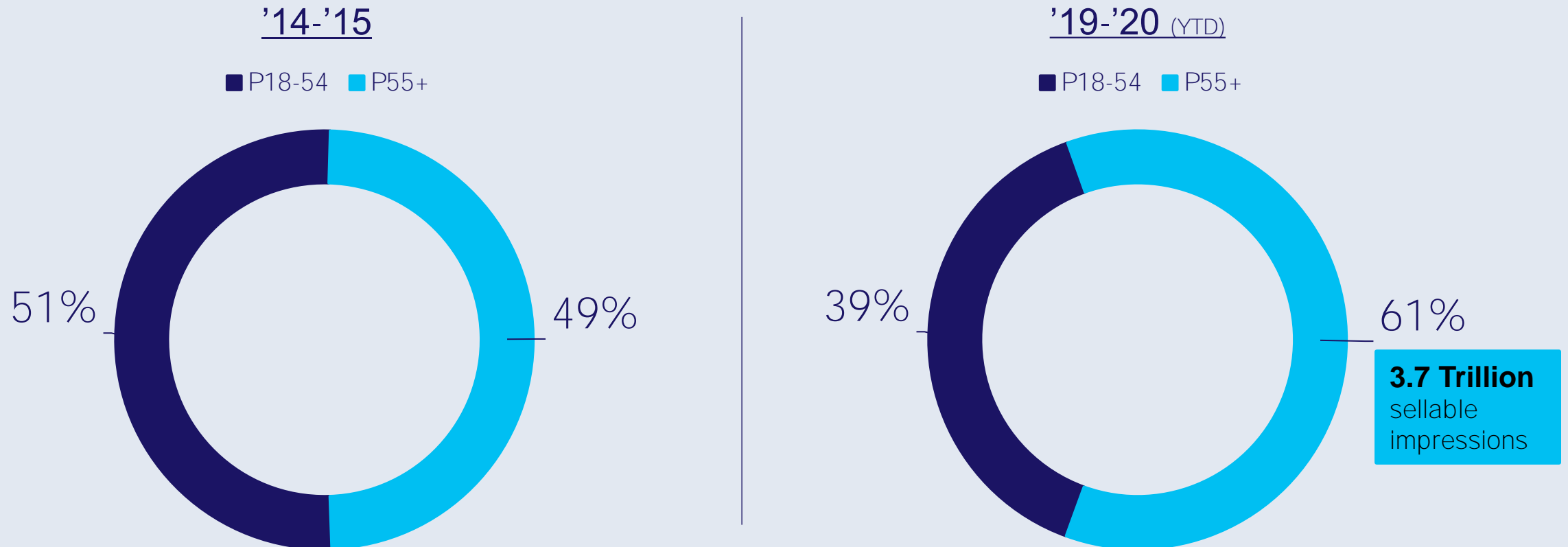
Despite these population shifts, most brands still adhere to traditional buying demos like A18-49 or A25-54, eliminating a significant portion of the **television audience...**



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

## % Demo Share of National TV P18+ Equivalized IMPs

C3, Broadcast Years



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.



## What to remember

The aging of the TV audience is largely the natural result of an older population in **general. As millions of Americans “age out”** of the typical buying demo – and are not replaced at the same rate by younger viewers - there is a disconnect with traditional buying target of 18-49 or 25-54.

# What you'll learn today...

- 1 The Situation:** The group of Americans aged 50+ is growing significantly.
- 2 The Implication:** The natural result of an aging American population is an older linear TV audience, however that means there is a disconnect with traditional buying demos of 18-49 or 25-54.
- 3 The Opportunity:** There is a great up-side for marketers who embrace the purchasing power of older segments - nearly \$4 Trillion in consumer spending.
- 4 The Evolved Approach:** Shifting from a demo-based to an audience-first buying approach results in better targeting and greater ROI.



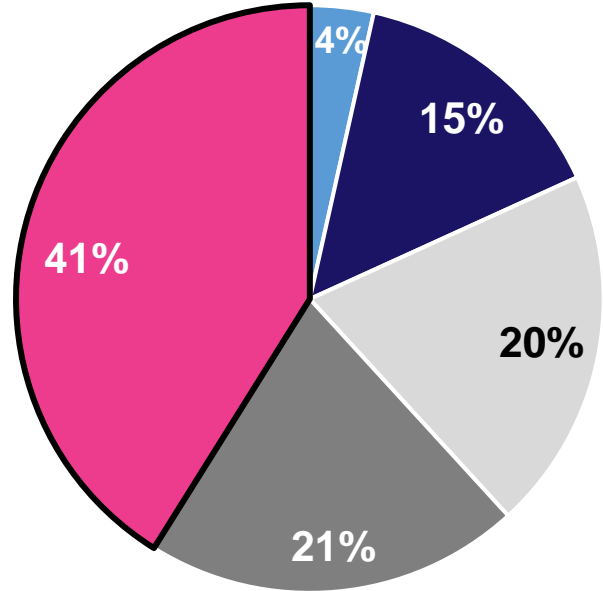
Opening the TV buying demo to all adults, rather than focusing on a traditional demo target unlocks access to consumers that spend nearly \$4 trillion annually.

**That's 4 out of every 10 dollars spent.**

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

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

% Share of Annual Aggregate Expenditures By Demo



- Under 25 Years
- 25-34 Years
- 35-44 Years
- 45-54 Years
- 55+ Years

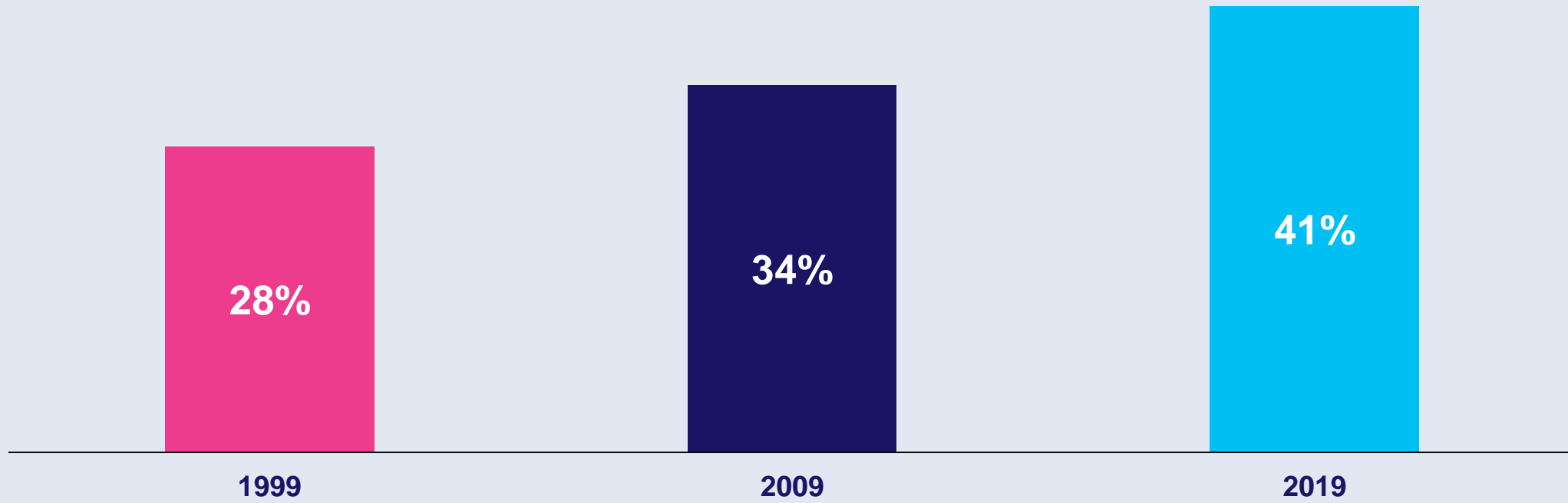


Source: VAB analysis of *Consumer Expenditure Survey 2019* data, U.S. Bureau of Labor Statistics, reported as of September 2020, Data represents adults 55+ due to data age group breakouts.

# Adults 55+ have become a powerful buying segment as their annual spending has increased by over 46% in the last two decades

▶ Adult 55+ annual expenditure has increased by \$2 Trillion since 1999

## Adult 55+ % Share of Annual Aggregate U.S. Expenditures



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.

# 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**

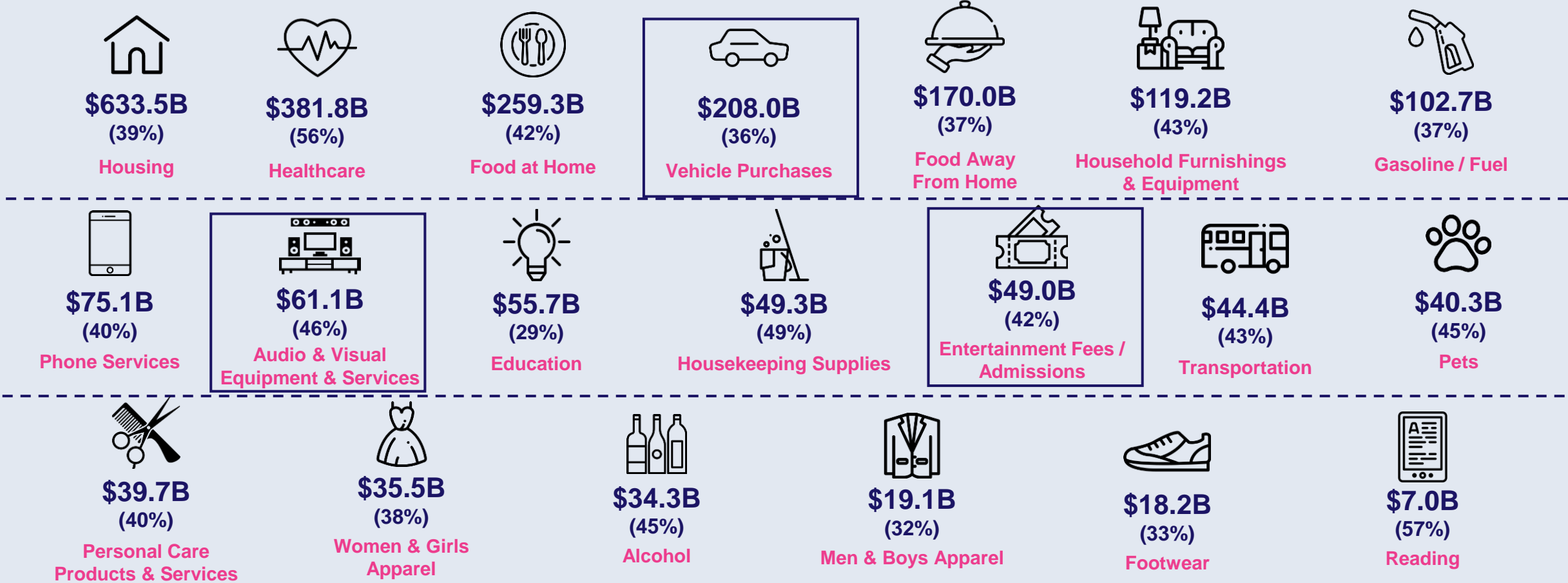
Source: VAB analysis of Bureau of Labor Statistics data, *American Time Use Survey*, 2019, % Share Based on Average Hours Per Day Spent in Primary Activities; data represents A55+ due to data breakouts; Younger Millennials = A25-34 due to data breakouts.

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

▶ On average adults 55+ are responsible for 42% of the spending across the top consumer categories

## A55+ Total Annual Expenditures By Category

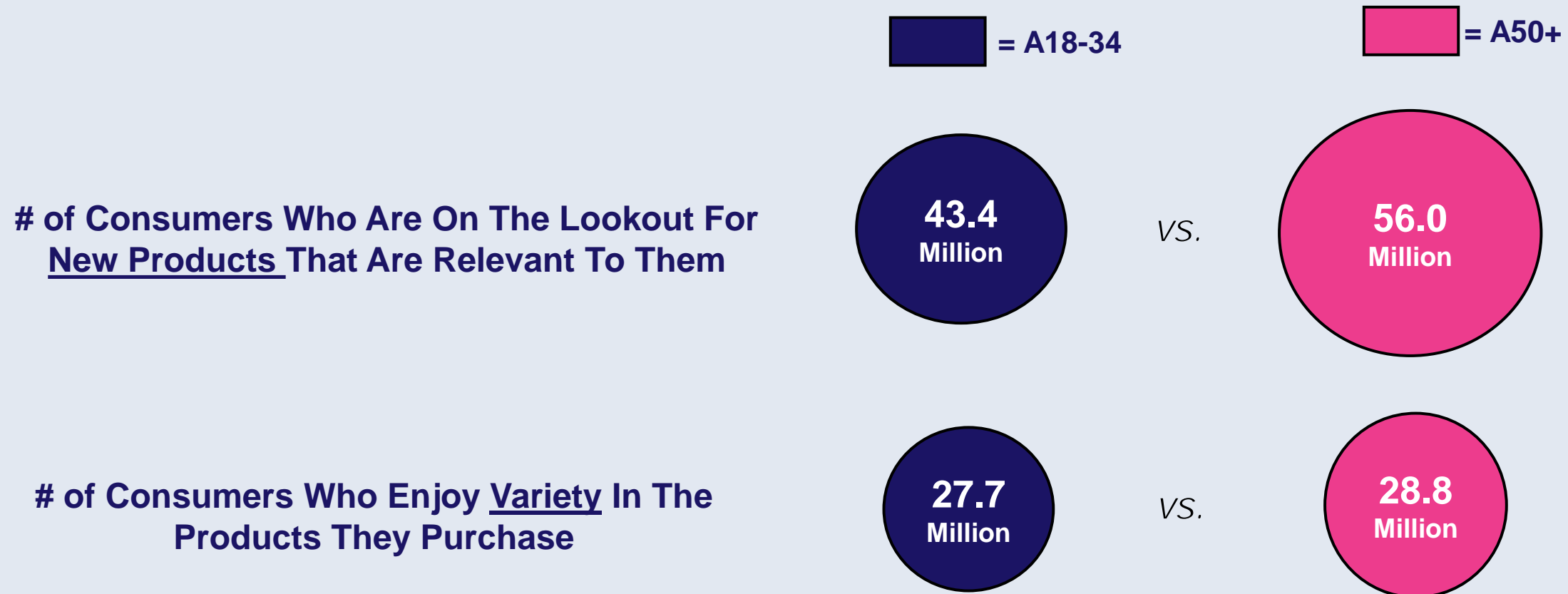
(% Share of Total Category Spend)



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.

# Most importantly, marketers can win over adults 50+ since, for many of them, their wallet is 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



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].

# Yet, Adults 50+ often feel they are underrepresented, misrepresented or ignored by advertisers, offering an opportunity to those marketers who do engage them

**77%**

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

**49%**

Avoid brands who actively ignore their age group



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



## What to remember

By recognizing the buying power of (often-ignored) older adults, marketers can tap into nearly \$4 trillion in consumer spend and drive immediate sales.

# What you'll learn today...

- 1 The Situation:** The group of Americans aged 50+ is growing significantly.
- 2 The Implication:** The natural result of an aging American population is an older linear TV audience, however that means there is a disconnect with traditional buying demos of 18-49 or 25-54.
- 3 The Opportunity:** There is a great up-side for marketers who embrace the purchasing power of older segments - nearly \$4 Trillion in consumer spending.
- 4 The Evolved Approach:** Shifting from a demo-based to an audience-first buying approach results in better targeting and greater ROI.

# 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



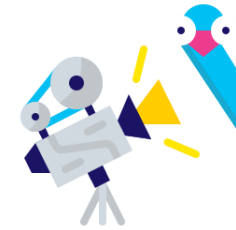
Comedy



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 Tatar.tv, 11/13/19)



“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

## Casper

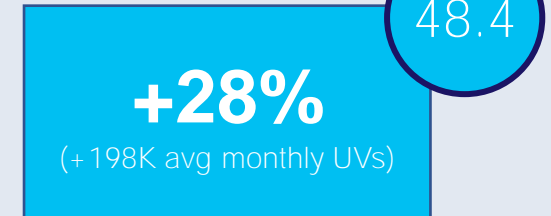
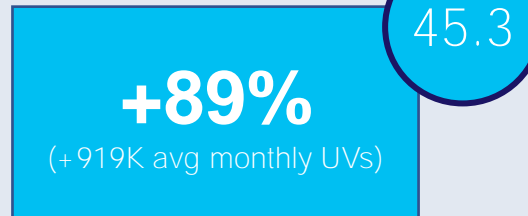
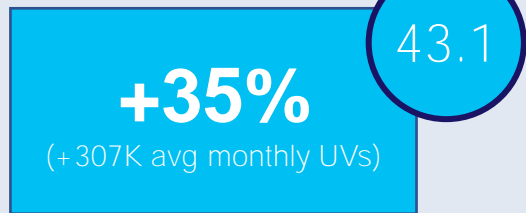
“We understand online very well, we also understand consumer behavior and we’re a very data driven company. Those are all advantages we have, because that is basically where we came from.”

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

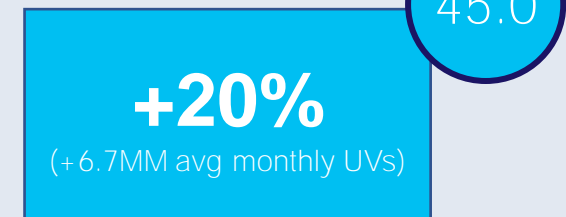
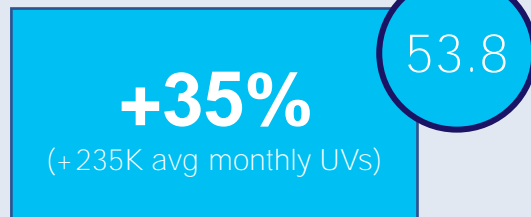
# In fact, adults 50+ have been flocking to direct-to-consumer brands' digital platforms during the pandemic; brands that are also significant spenders on TV

## Average monthly unique adult 50+ visitors increase by digital platform and Median Age

6-month average YoY comparison: Apr-Sep '19 vs. Apr-Sep '20; Median Age, Sept '20



WARBY PARKER



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

# What to remember

A modernized buying approach, not limited by demographics, allows a brand to reach its best potential consumers.

# Key Takeaways For Marketing Plans



**Acknowledge the  
U.S. Population  
Shifts**



**Think More  
Multicultural**



**Older Americans  
are Active  
Consumers**



**Think (and Buy)  
Beyond the Demo**

# In Audience Migration you'll find additional data including:



- ✓ More data and charts on population dynamics
- ✓ More analysis of the buying power of Adults 55+ as well as their resiliency during the pandemic
- ✓ More on what high-growth DTC brands are saying about an audience-based approach, as well as their success with the over 50 audience.

**VAB Members, brand marketers and agencies get free and immediate access to VAB's content library. Get access at our newly redesigned website, [theVAB.com](https://theVAB.com)**

# Thank You!

**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



# 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.

