MDI ALERT

February 20, 2024

WHY 18-49 AND 25-54 TV TARGETING?

Digital media critics often deride the way that TV time is bought and sold, in particular the use of 18-49 or 25-54 audience metrics as "currency" for audience guarantee deals between buyers and sellers. How can any advertiser think that everyone within these wide ranging demo breaks has equal value as marketing targets? Shouldn't there be targeting by finer age or income breaks? And what about older audiences; do they have no value?

These are valid questions, but there's more to the story.

In the early years most national and many local TV shows were developed and controlled by advertisers (“sponsors"). They merely bought time from the networks and stations to air "their" shows and took all of the risks; there were no audience guarantees. But things changed when the networks assumed total control over their programming. Now, the advertisers were merely buying time in the networks' shows and as more was learned about reach and frequency, audience duplication, etc., advertisers began to spread their buys among a number of programs and across networks in order to maximize their coverage. With two-thirds of the new shows launched every season being cancelled because they failed to perform well in the Nielsen ratings, the element of risk arose. An agency client might ask, “What if we need 100 GRPs per month and the buy we make with Network X underdelivers; are we short 10-15 points?" The answer was to press the sellers for some sort of "protection" against underdelivery.

The sellers resisted these demands at first, but they soon gave in. They began to guarantee household set usage GRPs for the fourth quarter only for upfront deals, but gradually these were extended to the full 12-month season on a quarterly basis. By the mid-1960s, household ratings had been abandoned by most savvy time buyers and it became fashionable in media planning circles to set goals for various demographic segments in proportion to their perceived value as prospective customers for each brand. Hence adults aged 18-24 might be deemed more valuable than those aged 65+, with gradations for the groups in between. And more sophisticated brands might create "cells" involving several demos (age within income, for example) as the basis for their attempts at targeting media buys.

There were several reasons why TV sellers felt it was not feasible to make guarantees on multiple demos. One was the very small sample size of Nielsen's national panel. But over and above that, there was the issue of practicality. Suppose that in the upcoming quarter a buyer was promised 150 18-34 GRPs and 125 35-49 GRPs plus 75 50+ GRPs. Say the seller delivered on the last two but fell short on 18-34 GRPs by 50 points. If the seller was obliged to make up for the shortfall by supplying another 50 18-34 GRPs in bonus spots, such placements would also reach heavy, older viewers, perhaps amounting to 75 older viewer GRPs. This would create a huge—and unpaid—bonus audience, which the seller could have sold to other advertisers as part of their GRP bundles. Obviously, this would be unfair, so the solution was to create several very broad guarantee metrics that buyers and sellers could live with, namely 18-49 and the heavily duplicated 25-54 age conglomerate, either for all adults or for men and women separately. A few exceptions were allowed; very young-oriented brands used 18-34 as their metric while the absurd 35+ "demo" was created for very old skewing products such as pharma brands. But only one metric was acceptable for each buy.

Sadly, these guaranteed demos (particularly 18-49 and 25-54), which accounted for over 90% of the deals, were soon so entrenched that they were adopted for other media—e.g. magazines and radio—to provide comparability with TV. And, of course, none of these metrics had anything to do with how the brands were targeting their ad campaigns. Most brands were into market segmentation and often were making their basic sales pitch to particular mindsets within the product user groups.

Incredible as it seems, these TV guarantee demos have been retained without change since the 1970s and persist today. This is especially shocking since linear TV, in particular, has lost a huge amount of viewing time among adults under 50 as well as kids and teens. In the 1970s, 35% or more of the broadcast networks' adult audience delivery was aged 18-34, while today that figure is about 10%. Similarly, 18-49s once represented 55% or more of the viewers, but today it's closer to 20%. Yet the sellers still allowed buyers to demand 18-49 or 25-54 audience tonnage guarantees under the guise of "targeting" or the supposed need for consistency with old data for "trending" purposes. This gives the buyers a huge advantage as the sellers are, in effect, not fully monetizing their overabundance of older viewers—who, believe it or not, do have marketing value for almost all brands.

The fact is that TV's 18-49 and 25-54 buying/selling demos were never intended as targeting mechanisms and never worked that way. Even in the 1970s and 1980s when an advertiser made an 18-49 buy, the 50+ segment was reached more often than the "targeted" demo. Today, the disparities between the younger and older viewer groups are far greater.

As we have pointed out, the solution from the sellers' point of view is obvious. Drop these age conglomerates and offer guarantees only on total viewership—persons 2+ or, more likely, persons 18+.

Naturally the buyers will scream bloody murder and there will be much hand wringing about their inability to target their brand's prime prospects, but this is a sham. If a brand is really interested in targeting the various segments in its product user base or, better yet, certain mindsets, and can wrest itself free from corporate mandates such as participating in CPM-driven multi-brand upfront buys, there are ways that its needs can be met, such as using addressable TV or selective targeting options available from many CTV time sellers.

So, the next time you listen to a digital media critic lambasting the way TV advertisers "target" their buys, just remember that she's both right and wrong. Yes, 18-49/25-54 is a stupid way to target audiences, but not to worry; they aren't really targeting anybody in particular using such metrics. It's all an illusion. In reality, the commercials do most of the targeting through their creative positioning and messaging. If the client CMOs would allow their media people to try to find the best editorial environments that match the interests and mindsets of the brands' real targets, great improvements could be made, but for most brands to have that degree of freedom is a wish, not a fact.