News

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Breaking Down DMA Populations

Suburbs Growing Faster Than Core Cities and Have Different Targets

By Mark Dominiak, Special to *TelevisionWeek*

Over the past few years, media planners have learned they can no longer behave as creatures of habit in their approach to planning. For decades, planners tended to follow convention, using standard practices and currency applicable to particular facets of media planning, like cost per points, Nielsen ratings or market designation.

But times have changed and planners have had to change with them. With ongoing fragmentation and the advent of countless new-media options, bedrocks of currency have changed. Passive People Meters and, more recently, Personal People Meters have replaced diaries. It may be that commercial ratings are set to replace program ratings. Even the currency stalwart of a 30-second commercial is being assailed by the likes of streaming video and The CW's five-second cwickies.

For the most part, changes in planning currency receive plenty of press and planners can stay abreast. But there is one area of currency undergoing change that doesn't receive much press and bears consideration by planners: populations that make up markets.

Currency in Population

Targeting appropriately, whether based on audience or consumption concentrations, is critical. With populations in marketplaces growing larger, it's important to remember those populations are not homogenous, potentially making portions of a geographical population more opportune than others.

It's not uncommon to think about designated market areas (DMAs) from the mindset of the central city for which they are named. However, planners should challenge the convention of DMAs mirroring their central city. Much has changed and continues to change within populations that make up DMAs. The top 10 DMAs do not necessarily equal the top 10 cities.

For example, look at the top 10 U.S. cities list based on population, as reported by the Census Bureau: New York, Los Angeles, Chicago, Houston, Philadelphia, Phoenix, San Antonio, Texas, San Diego, Dallas and San Jose, Calif.

Top 20 DMA markets include Boston, which comes in at No. 24 in population, Miami at No. 45, Seattle at No. 23 and Atlanta at No. 35.

Going back about 20 years in the census data, the largest cities have seen some changes, but not what might be expected. Such markets as Detroit, Washington, Baltimore and Cleveland make or came close to making the list. Boston and San Francisco were further down the list.

More Suburban Than Urban

Comparing the top cities and DMAs reveals yet more insights. The accompanying chart uses as a foundation the relatively consistent census list of largest cities (New York, L.A., Chicago, Philadelphia, Houston, Dallas, Detroit, San Antonio, San Diego, Phoenix, Baltimore, Cleveland, San Jose and Washington, D.C.), augmented with census data from DMA component cities Fort Worth, Texas, San Francisco and Oakland, Calif. The corresponding Nielsen DMA populations also are tracked over time.

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The first striking observation is that central city cores make up the minority of population in those DMAs. Over time, in fact, they consistently account for only around 30 percent. That means the lion's share of the population resides outside the central city. So looking at a DMA labeled New York or Los Angeles or Chicago, most of that population really resides in the Massapequas, Pomonas and Napervilles surrounding the core.

And the population in those suburban areas is growing. From 1994 to 2005, population in the central cities of large DMAs has risen by approximately 10 percent. DMA populations have risen by 14 percent. The greater rate of the DMA growth suggests suburban populations are growing at a more rapid rate than the central cities.

Real estate development should ensure this trend continues. While metropolitan areas continue to enjoy redevelopment and gentrification of abandoned neighborhoods, most geographic expansion in DMAs is occurring in the suburbs where property is available for retail and residential development.

There are also interesting trends within the cities included in the analysis. While cities have increased in size by around 10 percent in those 12 years, Phoenix (+39 percent), San Antonio (+26 percent), Fort Worth (+38 percent), Dallas (+19 percent) and Houston (+19 percent) are growing at much more rapid rates. The associated DMAs are growing even more quickly (Phoenix +50 percent, San Antonio (+20 percent), Dallas (+32 percent), Houston (+29 percent), meaning a greater influx of suburban population around these burgeoning cities.

On the other hand, the cities of Detroit (-11 percent), Baltimore (-10 percent) and Cleveland (-8 percent) are all dramatically down. Even so, the DMA for each of these cities is up over the 12 years (Detroit +7 percent, Baltimore +7 percent, Cleveland +2 percent), indicating a robust increase in the suburban populations that counters the central-city declines.

Implications

Since DMA populations are not homogenous and are very dynamic, planners should take special care to think about objectives as they plan local-market efforts. Who really is the target? Does the purchase of an entire DMA really make strategic sense?

A brand's core target may not be evenly dispersed across the DMA. Young, hip adults may be concentrated more in the central city. Traditional families may be more in the suburbs. In the same way that a brand development index might demonstrate one market or another provides opportunity, a thoughtful assessment of population across the DMA may show that within the market, brand development may vary dramatically from one area to the next.

In the past, this type of insight may have been valuable, but not actionable. Today, there are plenty of options for planners to leverage insight. Local cable buys can be zoned to purchase geographies of interest, sometimes even down to a head-end level. Satellite carriers can do the same thing. Why buy likely unproductive chunks of DMA impressions if there is a way to avoid them?

Is it possible to understand delivery of local television stations within the DMA? How about local radio stations? If it is possible, which stations disproportionately serve the population concentrations of the DMA that are of value to the brand? Target accordingly.

There is also consumer behavior to consider. A target prospect living outside of the central city leads a very different life than the prospect who lives within the metro area. Commuting habits are different, shopping habits are different and media habits are different. Relevant media contact points and times will vary depending on which target prospect is most opportune. Planners need to ensure that plans measure up.

Further, consider the following insight provided by Robert D. Putnam in the book "Bowling Alone: The Collapse and Revival of American Community." Mr. Putnam notes that suburbs have become "lifestyle enclaves" segregated by race, class, education, life stage, etc. More tellingly, Putnam quotes American suburb historian Kenneth T. Jackson as saying, "The real shift, however, is the way in which our lives are now centered inside the house rather than on the neighborhood or the community. With increased use of automobiles, the life of the sidewalk and the front yard has largely disappeared, and the social intercourse that used to be the main characteristic of urban life has vanished."

Suburban residents have a very different take on life than do their metropolitan counterparts. They see life differently, live life differently and consume media differently. And as the data show, there are many more suburban-oriented people within a given DMA than there are metropolitan-oriented people. Which are the key target prospects for the brand? Does the plan orient itself toward those prospects?

Another implication flows from the nature of the cities seeing the largest growth among the leaders. San Antonio, Phoenix, Dallas and Houston are not only south/southwest markets, but they are burgeoning Hispanic markets. The large population influx points to the importance of considering Spanish-language media in not only these but other large markets as well.

According to 2004 Synovate data, the U.S. Hispanic population has risen from roughly 25.5 million in 1994 to 43.5 million in 2004, a 70 percent increase. Significant portions of the population increase in metro and suburban areas nationally are coming from Hispanic consumers. The currency of buying old standby stations in local markets is becoming less relevant. In rapidly growing markets, Spanish-language television stations and media may have great relevance for many brands.

For planners, there are benefits to incorporating Hispanic media into the overall plan. Not only are CPMs a bit more advantageous, but Hispanic media are in many ways more creative in developing multicontact-point platforms to reach their consumers. And Hispanic consumers tend to embrace their media with far more trust than the more cynical general market. That increases the chances that Hispanic consumers will be more responsive to messaging.

The comfortable currency frame of reference planners have had when considering DMAs and local market populations is changing dramatically. Large DMAs are less likely to be characterized by their central market and more likely to be described by their suburban populations. Those suburban populations differ significantly in perspectives and behaviors from their central-city counterparts. In addition, there is a fresh and increasing Hispanic population across most large marketplaces.

With those changes, local markets are becoming far less homogenous than they used to be challenging planners to act proactively and accordingly to ensure local market plans effectively invest resources on behalf of their brands.

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