

What you don't know
about
MARKETING TO WOMEN
and why it could
hurt you.

by Judy Paradi

What do Women Want?

Michael J. Silverstein & Kate Sayre of The Boston Consulting Group, in their book *Women Want MORE* examined the values most important to women and found the following:

77% said love
58% said health
51% said honesty
48% said emotional well-being

Any organization that can successfully create a brand that can help women build relationships, fulfill one of her needs, and help her live as she wants will reap the benefits 10 fold, they conclude.

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Women Want More

In the past decade women's careers, ambition and education have produced more wealth, power and influence for them than ever before, but it has also created a measure of frustration, unhappiness and a host of tradeoffs, compromises and difficult decisions.

Women everywhere, especially working mothers, feel incredibly stressed, overworked, out of balance and pressed for time. However, they are starting to recognize that they can use their new-found buying power to leverage and mitigate these challenges.

In fact, they are already using their credit cards to vote 'no' on large sectors of the economy. They are saying you don't understand me, there are too many demands on my time, I work full-time and carry an overwhelming share of household chores, and I rarely get a moment for myself.

So what do they want?

More time, more understanding, more value and satisfaction from the products and services they buy. And who do they want it from – from those who develop products, run companies, shepherd brands, manage retail operations, and provide services.

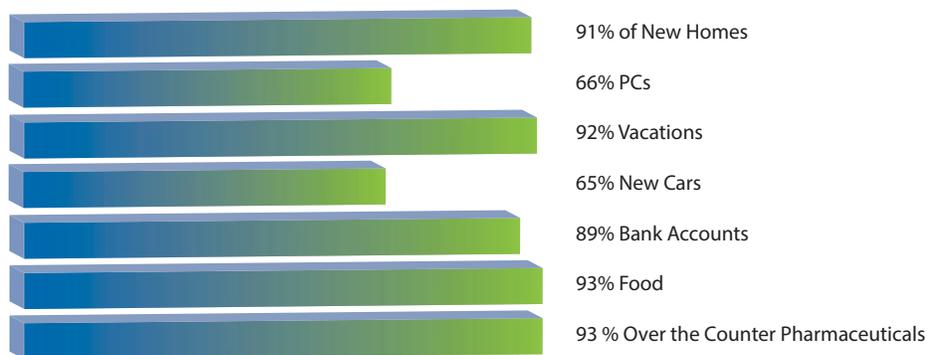
Women want and expect the things they buy to provide multiple solutions. They are the major spenders and savers, and they are looking for value. The primary consideration for female consumers today is finding products and services that saves them time, helps them connect with others, and allows them to live better lives. And make no mistake, women today are willing to pay top dollar if they find what they want.

The Way It Is

Fact

Women influence or make 85% of ALL consumer purchases. Women make the spending decisions even for products traditionally considered male, including automobiles, home improvement products, and consumer electronics.

The new reality is that women represent an economic power-house, They earn, spend, and influence spending at a greater rate than ever before. According to the 2012 Women, Power & Money Study, *Women account for \$7 trillion in consumer and business spending* in the United States*, and over the next decade they will control two-thirds of consumer wealth.



The Opportunity – By the Numbers

Fact

The rise in the spending and decision-making power of women is not slowing down. Over the next decade 1 billion women worldwide will gain economically and drive fundamental changes in the marketplace. This represents an incremental spending of \$5 trillion or more for goods and services. *The rewards for organizations that recognize this new paradigm will be enormous!*

Women continue to gain power

In one decade...

- The percentage of women between 18 and 24 who were involved in home electronics purchases grew from 69% to 91%
- The number of women 25-34 who were single or living with a significant other increased to 38%
- The percentage of women who had an undergraduate or graduate degree increased, from 28% to 41%

Women hold the purse strings and have lots of money in those purses

- Worldwide women earn \$12 trillion
- 30% make almost all of their family's income and 62% earn almost half of their family's income
- Women billionaires are on the rise
- A higher percentage of women than men hold a BA
- In the US, 30% of lawyers, 29% of physicians, and 39% of post-secondary faculty are women
- In the US businesses owned by women grow at twice the rate of those owned by men, and they are growing at a faster clip

Source: The Boston Consulting Group, Global Inquiry into Women and Consumerism

Marketers must recognize that women...

- make purchasing decisions differently than men
- want to associate with brands that understand their unique needs
- will share their opinions within their far-reaching social networks
- can help companies increase profits very quickly
- do not prize technical differences, rather technology must contribute to superior performance
- like to be engaged emotionally, but it must be genuine
- see a huge difference between need and want
- recognize quality and are willing to pay for it when they find it
- still find themselves undervalued in the marketplace

Source: <http://www.she-economy.com/facts-on-women>

In every age group: from adolescence to retirement and past, women's wealth, earning and shopping power continues to grow.

Boomers, women 50-plus – a rapidly growing niche

- They control net worth of \$19 trillion and own more than 3/4 of the financial wealth
- They will control 2/3 of consumer wealth and be the beneficiaries of the largest transference of wealth in history. (Estimates range from \$12 to \$40 trillion)
- These women make 95% of the purchase decisions for their households

Moms

- Moms represent a \$2.4 trillion market
- 18.3 million moms read blogs at least once a month

Men, Women and Misconceptions

While most advertisers recognize the purchasing power women wield in areas considered typically female, few realize how pervasive their power is even in areas typically thought to be the domain of men.

Women online

- As early as 2000, women surpassed men in Internet usage
- 22% shop online at least once a day
- 92% pass along information about deals or products to others
- 76% want to be part of a special or select panel
- 78% of women in the US use the Internet for product information before making a purchase

Women and Sports

- Women spend 80% of all sport apparel dollars and control 60% of all money spent on men's clothing

Women and Cars

- Women buy more than half of all new cars, and influence up to 80% of all car purchases
- Women request 65% of the service work done at dealerships
- Women spend over \$200 billion on new cars and mechanical servicing of vehicles every year

Sources: She-Economy, Ms Smith Marketing, StartUpNation, Clickz, Inc.com, Girl Power Marketing, Catalyst, Forbes. Originally published in MediaPost.

Who Wields the Power?

Recognizing the enormous power and influence of women needs to be a top priority for marketers if they are going to tap into the market's full potential.

Earning Power

- The average woman is expected to earn more than the average male by 2028
- 51% of private wealth in the U.S. is controlled by women
- Women account for over 50% of all stock ownership.
- Women control more than 60% of all personal wealth.

Spending Power

- Women account for 85% of all consumer purchases
- 68 percent of new car purchase decisions are made by women
- 75% of women identified themselves as the primary shoppers for their households
- Women influence \$90 billion worth of consumer electronic purchases
- Nearly 50% of women say they want more green choices, with 37% more likely to pay attention to brands committed to environmental causes

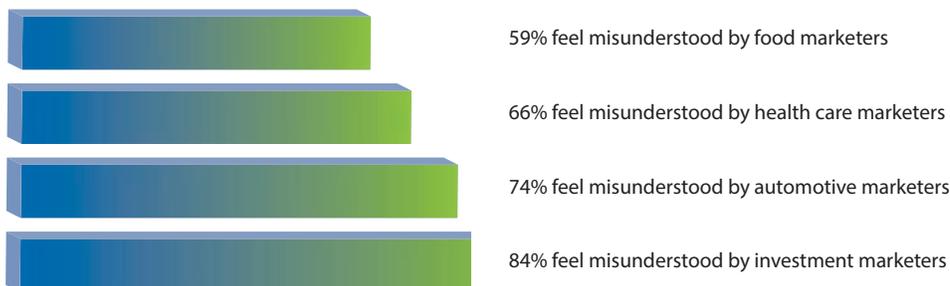
What's the Problem?

Although it is clear that the status and earning power of women has changed, much of the world has not noticed.

Despite overwhelming evidence that women are not a niche market but are “*the primary consumers*,” very few companies have responded to the growing female market.

Advertisers routinely spend *proportionately more* on advertising to men than women, and persist in treating women as just one of many niche markets.

It's not entirely surprising then that *91% of women in one survey said that advertisers don't understand them.*



Source: Greenfield Online for Arnold's Women's Insight Team

Women demand honesty, which means that your marketing message must match up with your product performance and your retail experience. *If not, you've lost her trust and she'll go somewhere else.*

Source: <http://www.she-economy.com/facts-on-women>

What Can be Done

One part of the solution is to get more women into creative and decision-making positions.

According to The 3% Conference, Building the Business Case for More Female CDs, it doesn't make sense when 85% of all purchases are made by women that only 3% of advertising agency creative directors are women – and they don't match males in the management ranks either.

With ad dollars having to work harder than ever before, advertisers need to realize they cannot win the hearts and minds of women using messaging crafted and approved mostly by men.

Companies that demand female representation on their accounts will win with customers. And agencies that start retaining more women will have an edge.

But on a deeper level, until marketers and organizations understand the underlying frustrations and stresses in women's lives, and respond to their needs, they will be missing out on a huge opportunity.

What are the Dangers of Ignoring this new Reality?

Recognizing the power and influence of women must become a top priority for marketers if they are going to tap into the market's full potential. *Marketers who continue to treat the female market as a niche market will be left behind.*

The rise of the worldwide female economy is challenging assumptions about how companies develop and market products. Companies must rethink how they react to changes in consumer behavior and how they capture imagination because those who rise to the challenge and deliver what women want will enjoy breakout growth and unprecedented consumer loyalty according to the Boston Consulting Group.

This brings us full circle to – “So what do they want?”

Research shows that women want a better handle on time, and more connection and fulfillment in their lives. Suppliers who pay attention to the dissatisfactions of women will generate growth and value.

Oprah Winfrey's success is testament to the value of truly understanding women – in a way that only a woman can. While both her show and magazine, not to mention product offerings, leave men scratching their heads – women connect on an emotional level and show their support with their wallets. She understands the multiple roles women must play in their lives, their struggles with appearance, fitness, health, family, finances and career, in a very personal way.

She has built a business worth \$2.7 billion and she did so with exceptional insights into what women want and how they can get it.

In Conclusion

As marketers and as a society, in the face of overwhelming evidence, we have absolutely no excuse for ignoring the female market and those who do – do so at their own peril.

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* While most studies on women and spending have been conducted in the United States, it can be assumed that Canadian statistics about women are likely to be comparable. In fact, in *Women Want More*, Michael J. Silverstein & Kate Sayre point out that these trends are a world wide phenomenon.

The following sources were used:

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Strategy Marketing

This White Paper was published in order to shed much needed light on the emerging She-economy™ and to help marketer understand and learn how to take advantage of this often misunderstood market.

StrategyMarketing.ca