



Navigating the

# She- economy

How to Market to Women



MARKETING SERVICES

Women account for more than ½ of private wealth, personal wealth and stock ownership in the U.S.<sup>3</sup>

Women control more than \$20 trillion in global spending, which is expected to rise to \$28 trillion by 2018.<sup>2</sup>

Women are earning more money, spending more and influencing the majority of purchases — both big and small — now more than ever. In fact, it's projected that, over the next decade, women will control two-thirds of the consumer wealth in the U.S.<sup>1</sup> As a whole, this demographic represents a massive marketing opportunity, but reaching women isn't as easy as it used to be. Financial institutions must change the conversation to reach this valuable and widely underserved powerhouse.

### *Learning More*

With such a large estimated growth of women's consumer power, we have to ask what's driving this shift? Why now? For starters, women are outpacing men in higher education degrees at every level. This increase in education is contributing to the larger presence of women in the workforce too, with one billion women employed around the world, and growing.<sup>2</sup>

### *Earning More*

As women become more educated, they tend to earn more. In the next 15 years, the average American woman is expected to earn more than the average American man — an income increase of 8.1% for women vs. 5.8% for men. And, women account for more than half of private wealth, personal wealth and stock ownership in the U.S.<sup>2,3</sup>

### *\$20 Trillion in Global Spending and Growing*

Women are the primary household shoppers, with control of more than \$20 trillion in global spending, which is expected to rise to \$28 trillion by 2018.<sup>4</sup> This spending encompasses everything from gas and groceries, to cars and vacations, and everything in between. But what does all this spending mean for the financial services industry? It means opportunity. It means empowering women to actualize their spending potential through card usage, mortgage and equity lending.

## **The Opportunity: Make the Conversation Relevant**

Women are bombarded with a myriad of purchasing opportunities each day, yet many financial institutions — even some of the largest — still fall short when it comes to reaching them. Only 28% of women believe VISA is doing a good job of marketing to them; only 15% say American Express is effective. The percentages are even

<sup>1</sup> Nielsen, *Women Control the Purse Strings*, 2013

<sup>2</sup> Forbes, *The Power of Just One Woman*, August 26, 2013

<sup>3</sup> The Next Web, *The Top 30 Stats You Need to Know When Marketing to Women*, 2012

<sup>4</sup> Forbes, *The Power of Just One Woman*, August 26, 2013

Understand how women gather information and ensure that content offered is relevant and readily available.

lower for investment services, insurance and banking.<sup>5</sup> What can be done to change the dynamic? In essence, keeping the dialogue relevant.

### 1 Acknowledge the Differences

A good place to start in changing the banking relationship is acknowledging the different spending and lending behaviors of women. While men and women fare about the same in terms of consumer debt, they're getting there in different ways. This is especially evident for small business owners — where women tend to use credit cards for borrowing, while men use trade credit. When credit troubles arise, women are more likely to reach out for financial help, whereas men try to resolve it privately. The same goes for credit activity. Women tend to be more communicative about what they owe and what they spend.<sup>6</sup> Recognizing that women are more likely than men to seek financial information, institutions should keep the lines of communication open to women, who are increasingly consuming and engaging with content across a wide variety of mediums.<sup>7</sup> An effective marketing plan might include email, social media, account management tools, online surveys. So, understand how women gather information and ensure that the content offered is relevant and readily available.

### 2 Even The Playing Field

Women may be more transparent with their financial behavior, but it's not necessarily indicative of their understanding. Women are more likely to carry balances on their credit cards and pay only the minimum payment, whereas men are more likely to pay their balance in full. Women also face larger debt hardships as a result of poor borrowing judgment and lack of comparative borrowing analysis.<sup>8</sup> Financial institutions that take the time to educate women about credit usage and investments, and work with them when they face hardships, stand a good chance of gaining their loyalty.

### 3 Understand Motivations

Women are better educated, better paid and more adept at making major purchasing decisions than ever before. They're budget- and bargain-minded, pay attention to brands and tend to seek out a balanced and meaningful understanding of products and services. But maybe most importantly, women are wearing many hats: they're students, mothers, business owners and breadwinners. The matter of how to talk to women is as much about what role they are embracing as when they are likely to listen.<sup>9</sup> For effective targeting, financial services marketers must be careful to match the persona with the product. For instance,

<sup>5</sup> The Financial Brand, *When Marketing to Women, Financial Brands Fall Way Short*, 2013

<sup>6</sup> CreditCards.com, *7 Ways The Sexes Handle Credit Differently*, 2009

<sup>7</sup> Nielsen, *Women Control the Purse Strings*, 2013

<sup>8</sup> Military.com, *Credit Card Debt and the Gender Divide*

<sup>9</sup> PR Newswire, *What Women Want: Insights Into \$7 Trillion Women's Purchasing*, 2013

Financial institutions must be careful to match the persona with the product.

67% of women sign up for emails where deals and promotions are promised.<sup>12</sup>

a mother might be interested in opening a checking account or securing a credit card, not for herself, but for her college-age child. This would require a different value proposition and message.

#### 4 Follow, Like, Share

Research indicates that more than 50% of women use online social networks to research and exchange information on products.<sup>10</sup> Between social media, e-mail marketing and blogs, women are increasingly connected. In fact, the influence of non-traditional platforms like social networks has become so prevalent that they're now a relied-upon resource for spending decisions. Ninety-three percent of women said they purchased something because a blogger recommended it. Another 88 percent said they purchased something because a brand shared coupons, deals, tips or ideas via social media.<sup>11</sup> Savvy financial services marketers will understand how these mediums facilitate purchasing decisions and offer the information needed to effectively evaluate their products and services. They should also be able to speak to and motivate influencers within social media circles.

Women represent an incredibly viable economic opportunity for financial institutions. As the fiscal landscape continues to evolve, tapping into that potential becomes critical. With women amassing more of the global wealth in the coming years, it may be time to tilt the conversation towards topics of how to grow, manage and maintain that wealth.<sup>13</sup>

Making more big-ticket purchases on their own — like education, homes and cars — women are going to increasingly rely on help from lenders. But before they entrust their money to financial institutions, financial institutions must invest in them. That means offering more financial literacy programs, a greater understanding of how and why women make purchases, and smarter marketing efforts. Institutions that understand the unique, individual voice and needs of each woman will enjoy the greatest return.

Our strategic, data-driven marketing programs are designed specifically for financial institutions. For more information, please call **1.800.351.3843**, email us at **[contactHC@harlandclarke.com](mailto:contactHC@harlandclarke.com)** or visit **[harlandclarke.com/MarketingServices](http://harlandclarke.com/MarketingServices)**.

<sup>10</sup> Pontiflex, *Social Media Marketing to Women: What Every Brand Needs to Know*

<sup>11</sup> Business2BusinessCommunity.com, *Social Media and the Female Holiday Shopper Infographic*, 2012

<sup>12</sup> Pontiflex, *Social Media Marketing to Women: What Every Brand Needs to Know*

<sup>13</sup> *ibid*