

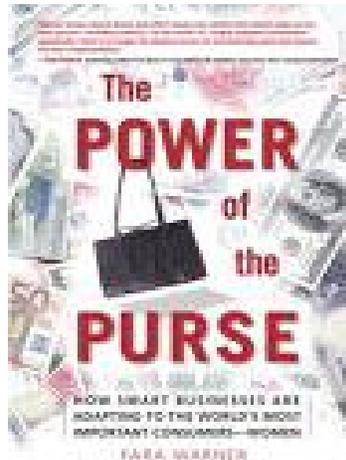
The Power of the Purse

How Smart Businesses Are Adapting To The
World's Most Important Consumers – Women

About the Author



Fara Warner has been writing about marketing, advertising and consumer trends for more than fifteen years. She is a contributing writer to Fast Company and has written extensively for The New York Times, Forbes, Brandweek and other national publications. She's been a correspondent for The Wall Street Journal, covering advertising, marketing, media and consumer trends in Asia and e-commerce and the auto industry from the Detroit bureau.



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■ The Big Idea

Women's access to money and power has transformed the way they approach brands, businesses, products, and services. Women now influence the vast majority of purchasing decisions – and every year, they gain direct control over trillions in new wealth.

This is a little-understood market of unprecedented size and scope: one that few companies truly know how to reach. Empty slogans and superficial changes won't work. This book shows you what you will.

The Power of the Purse is an extraordinary behind-the-scenes look at how today's smartest companies are discovering the immense power of women consumers – and using it to achieve breakthrough results in their businesses.

Why You Need This Book

This book is built around nearly a dozen extraordinary business successes. It offers a blueprint for discovering what your women customers want, how to give it to them – and how to reap the rewards.

MCDONALD'S DISCOVERS THE WOMAN INSIDE THE MOM

To help revive the company's sales and profits, McDonald's shifted its strategy toward women from one of "minority" consumers who served as a conduit to the important children's market to one in which women are the company's majority consumers and the main drivers behind menu and promotion innovations.

McDonald's turned around its sales and overhauled its menu for a new century by readjusting its view of women from a minority market to a majority consumer. It rethought a woman's traditional role as mother and revamped it for today's consumers.

Key Points:

- Use women-only focus groups for new products and marketing strategies – even if products will be marketed to all consumers. McDonald's used this strategy to create new salads and revamp nutritional information on its company Web site.
- Shift media buying from "monolithic" 18 to 49 year old adults to targeted media buys focusing on specific roles women play in society.
- Overhaul organization to coordinate menu creation and management with marketing strategy.
- Make constant adjustments in tactics used for women consumers to create relevant messages for a quickly changing consumer. McDonald's used this strategy to overhaul the interior of its restaurants in 2005.

HOW THE HOME DEPOT DISCOVERED POWER PARTNERS AND DO-IT-HERSELFERS

The number two retailer store overhauled its appeal to women in novel ways to go beyond its competition by focusing on the changing structure of America's families and the shifting roles of women inside the home - and in home renovations.

Charting the sometimes subtle needs of women consumers as well as the dramatic shifts of women in society helped position The Home Depot beyond its once-traditional core of professionals and "do-it-himselfers."

Key Points:

- Use an "inclusive" gender strategy that gives equal weight to the needs of men and women while employing specific tactics that address women's unmet needs in the stores. This strategy was used to focus on "home perfectors."
- Renovate only where necessary. This strategy was employed to maintain the look and feel of The Home Depot's "warehouse" stores while updating sections where brighter lighting and softer colors were important.
- Use the Internet and e-mail feedback to stay in touch with consumers. This strategy led to the overhaul of "do-it-herselfer" workshops to reflect women's changing needs in home renovation.
- Don't deny the core brand attributes of The Home Depot. Instead, find the relevance in those attributes for women.

PROCTER & GAMBLE CLEANS HOUSE

To create the Swiffer, a new brand of cleaning products, Procter & Gamble explored how women perceived their traditional role as homemakers in a modern world – and even learned along the way what women thought about men's roles around the house.

P&G found a way to incorporate important traditions from the past to create a cleaning product that made sense for the women of today.

Key Points:

- Use in-depth conversations with women to arrive at the “truth” about how they feel about their traditional roles in the home. This strategy was used to shift housecleaning from drudgery to “Swiffering.”
- Use that “truth” to create products that are not only fast, but also effective, and that bridge the divide between women’s traditional and modern roles.
- Create advertising that breaks from the tradition of housecleaning as drudgery by making cleaning house fun – even for men.
- Continue to address women’s evolving needs through new products that attach each area of housecleaning.

HOW TWO INDUSTRIES SHATTERED THE MYTH OF THE WHITE KNIGHT

As women struggled to balance the traditions of the past with their new roles in society, two industries created advertising, products, and services that tackled the balancing act head-on with a mixture of humor and insight.

The melding of the past with the present helped both the diamond and the financial industries adapt to women consumers.

Key Points:

- Explore and understand women’s struggle to balance their traditional roles with new roles. DeBeers used this tactic to create advertising for its right-hand rings that didn’t preclude a woman from believing she could have the best of both worlds.
- Address women through their gender by using humor and insight. WomensWallStreet.com and Women and Company employed humor to

address critical issues that women face when it comes to their finances without appearing condescending or patronizing.

- Advertising is never enough. Each of these companies backed up its advertising with products and services that specifically addressed women's desires to balance the past with the present.
- Continually update products and services to adapt to the changing needs of women as they advance in their skill and knowledge of the industry.

HOW KODAK EMBRACED MEMORY MAKERS

Kodak went all the way back to its original mission from the 19th century to create digital cameras and photo printers to help women – once the photography industry's primary mainstream consumers – regain their traditional role as the family's social historian without neglecting the technological innovation that drove the digital camera industry.

For Kodak, two seemingly opposing trends – women's drive into technology and women's traditional roles as memory makers – collided to create a long-term strategy that helped turn it from an also-ran into the leader in digital camera sales.

Key Points:

- Use the company's original mission statement as a foundation for making Kodak's cameras and technology relevant to women.
- Create easier-to-use products without forsaking technology. This strategy was employed to create next generations of Easy Share that were more technologically advanced as women become more tech-savvy.
- Use an advertising campaign to support the product's differences, not one that highlights that the product is "for women."
- Expose retailers to the realities of what happens to consumers in their stores to help overcome that final stumbling block to women buying technology such as digital cameras.

NIKE'S MARATHON TO REACH WOMEN

To attract more women to the famously macho brand, Nike broadened its description of “sport” to include everything from yoga to dance. It also worked to rid itself of gender stereotypes about men, women, and fitness to redesign clothing and shoes and the way it sold them.

Nike found that in the 21st century, sports and fitness would be defined by women – whether that was practicing yoga alone or playing three-on-three basketball – not by the company or by the men who had always dominated sports.

Key Points:

- Accept that evolution and transformation are part of a successful strategy to meet women’s needs. This strategy was used to evolve Nike Goddess from fewer than 10 stores in the US to Nikewomen, a retail concept that will be rolled out throughout the US and in Europe and Asia.
- Learn to understand the difference between true biological differences in women and differences that are driven by society. This strategy was used to differentiate between creating shoes that fit women’s feet versus just making them in “feminine” colors.
- Observe the difference between what society considers a sport and how women view sports – as a key part of their lives.
- Create products for women from the ground up instead of retooling or scaling down products that were created for men.

AVON MAKES ITS MARK

To create a new beauty brand for younger women, Avon focused on how women’s perceptions of their beauty, their bodies, and even their sexuality had been markedly changed by their growing economic independence.

Instead of overhauling the company's main brand to meet the needs of a younger generation – and risk alienating its existing customers – Avon created an all-new brand that tapped into the changing views women had about beauty.

Key Points:

- Instead of focusing on age – a traditional demographic used by companies – Avon focused on how younger women perceived their beauty differently from older generations. This strategy drove the creation of a new brand instead of a “teen” version of Avon.
- Use consumer insights to drive product design, not just marketing strategies. This strategy was used to create “hook-ups” that spoke to young women’s desires to create an individualistic beauty.
- Combine the talents of outsiders with the expertise of the parent company’s research and development.
- Avon redesigned its direct-sales model to meet the needs of a new generation of women, including offering college credit along with sales revenue for “mark” representatives.

BRATZ PREDICTS THE FUTURE

By creating a toy brand that reflected the real world in which young girls were growing up – while keeping the roles of play and fantasy very much alive – MGA Entertainment Inc. struck a chord with new generations of girls ready for a post-Barbie future.

MGA Entertainment built a multibillion-dollar children’s brand in just three years by listening to girls who had grown up in a far different world than their grandmothers, mothers, and, indeed, even their older sisters. As Bratz illustrates, the social and economic trends set in motion more than 50 years ago have created ripples and consequences – sometimes unintended – that are just beginning to be understood by companies that are fast realizing that women are their most important, yet sometimes most elusive, consumers.

Key Points:

- Don't allow personal history or preconceived ideas of women – in this case, young girls – to overshadow insight from consumers.
- Read, listen, and respond to correspondence from consumers – not their parents. MGA used this strategy to create a lone boy Bratz.
- Consider the consumers' whole world, not just the time when they are using the product. This strategy was used to expand Bratz beyond dolls and clothes.
- Move with consumers trends, not industry timelines. MGA creates new clothing lines for its dolls every three to six months, not just once a year.

HOW TO PUT THE POWER OF THE PURSE TO WORK IN YOUR COMPANY

Here are the questions you can use as a guide and defined as some of the most difficult stumbling blocks that the said companies had to overcome before they could move forward successfully with their strategies:

1. Do you have stereotypical views of women consumers that haven't changed in more than a year?
2. Do you still think of women as a minority?
3. Do you think your product could never – ever – appeal to women?
4. Are you afraid to be the first in your industry to focus on women?
5. Do you think if you focus on women that you will turn off male consumers?
6. Do you still think one ad campaign or marketing message will work for all women?
7. When was the last time you talked to a real woman consumer?
8. Do you think your company or brand needs a complete overhaul to appeal to women consumers?

9. How aware are you of the social and economic changes affecting the women who buy your products?

10. Do you ever wish the whole idea of “gender” would just go away?

The final core concept is that these companies have learned to stay in constant transformation. A majority of these companies have learned the tough lesson of standing still while women have moved on. To make certain such stasis doesn't happen again, they have instilled a sense that constant change and evolution are the nature of doing business today if they plan to keep up with women, if not stay ahead of them.

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power of the purse. The influence that legislatures have over public policy because of their power to vote money for public purposes. The United States Congress must authorize the president's budget requests to fund agencies and programs of the executive branch. (See appropriation.) RELATED CONTENT. These Quotes Show The Power Of Education Read more in this article about some frequently asked questions and fun facts related to our definitions.Â The New Dictionary of Cultural Literacy, Third Edition Copyright Â© 2005 by Houghton Mifflin Harcourt Publishing Company. Published by Houghton Mifflin Harcourt Publishing Company. All rights reserved. Explore Dictionary.com. Whatâ€™s The Difference Between â€œi.e.â€ And â€œe.g.â€? The phrase â€œpower of the purseâ€ refers to the ability to authorize spending. In the United States, that power is vested in the legislative branch â€” Congress. Spending bills must originate in the House of Representatives and also be approved by the Senate. The Executive branch typically spends the money by controlling the various cabinet-level offices â€” e.g. Dept of Energy, Dept of Defense, State Department and many bureaus. To think of it simply, itâ€™s like your mother and your allowance. You canâ€™t spend any money until she opens her purse and gives you that allowance youâ€™ve earned. But she may