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CONSUMER



■ The “female economy”—\$5 trillion or more of incremental spending by women over the next several years—is larger than the commercial potential represented by the growth of the consumer economies of India and China, and bigger than any country’s bailout package.

■ Yet women still feel undervalued in the marketplace: it’s still tough for women to find a pair of pants that fit or to buy a family meal that’s both healthy and delicious, or to make the time to get in shape.

■ Above all, women want “agents of leverage”—ways to find time, save time, free up time. And when women find a product or service that truly meets those needs, they can become brand apostles.

■ The companies that really get women and respond to their unmet needs with skill, nuance, and genuine engagement will enjoy breakaway growth, unprecedented customer loyalty, and category dominance.

Women Want More

How to Capture *More* than Your Share of the Female Economy

This article was adapted from Michael J. Silverstein and Kate Sayre’s forthcoming book, *Women Want More: How to Capture Your Share of the World’s Largest, Fastest-Growing Market*, to be published in September 2009 by HarperBusiness, an imprint of HarperCollins Publishers. The book is based on a survey of 12,000 women from 22 countries—one of the largest quantitative marketing studies ever conducted.

Some say that the most important economic and social changes of the twenty-first century are taking place in China and India. We believe that the emergence of the female economy—in every country and every arena—is an even more significant upheaval. One billion women participate in the workforce worldwide, and over the next several years they will be responsible for \$5 trillion or more of incremental spending on goods and services of all kinds—a sum that is bigger than any country’s bailout package.

Yet even with their remarkable increases in market power, women continue to find themselves underappreciated at home, underestimated in the workplace, and undervalued in the marketplace. It is still tough for women to find a pair of pants that fit, to buy a family meal that is both healthy and delicious, to make the time to get in shape, or to work with a financial advisor they can trust.

Only a small percentage of the companies we studied understand the significance of the female economy to their businesses. If they respond to it at all, they do so by fiddling with segmentation or by making small adjustments to their product line, as if this powerful trend were nothing more than an incremental shift in an existing pattern. These companies do not see the changing world the way women do. They do not prioritize the way women do. They fail to recognize that time is remarkably scarce for women and that easy access to information is essential. They often underestimate women’s need for love, connection, and beauty. Fully responding to women’s needs and dissatisfactions with products and services is a powerful way to gain share.

One of the key insights gleaned from our research is that women everywhere struggle with a shortage of time. The typ-

ical woman plays so many different roles in her life—employee or employer, manager of the home, purchasing agent, spouse or partner, mother, caregiver to aging parents—that she faces what we call the *triple challenge of time*. Women find that there are *too many demands on their time, too many conflicting roles to play, and “not enough time for me.”*

This lack of time influences women’s purchasing decisions. Women will quickly embrace products or services that enable them to “take back time.” They will shun those that add complication or inconvenience.

Fortunately, there are companies that recognize the opportunity and brilliantly respond to it with skill, nuance, and genuine engagement. They occupy a privileged position in the market. They enjoy breakaway growth, unprecedented customer loyalty, and category dominance. They really *get* women and serve them well.

Understanding the More That Women Want

Because women play many—often overlapping and conflicting—roles, they expect the products they buy to provide multiple solutions as well. Women are both the primary spenders and savers in our consumer society, so they seek value. They are usually the nurturer of the family, but they also seek independence and personal fulfillment. So they want goods that help their loved ones and also give them pleasure. They are hardheaded household purchasing agents and tenderhearted dreamers. So they want quality and effectiveness, as well as attention to design and marketing narrative.

Above all, women want “agents of leverage”—ways to find time, save time, free up time. And when women find a product or service that truly meets those needs, they can become brand apostles. They will compliment a brand when it delivers, and they will complain about it when it does not. They will share their opinions within their social networks, which can be far-reaching. They can help a company grow profits quickly and help brands take root in the society.

Consider what some companies are doing to win women’s favor in three categories that are among the most important for women: apparel, beauty, and fitness.

Apparel. “If I could have anything I wanted for a day,” one woman in our survey told us, “I would hire someone to custom-make pants for me.” Women have an idealized style image—a vision of the way they would love to

look—and also a style comfort zone in which they feel most natural. But the two can easily be at odds. What’s more, women often look for versatile clothing—items that fit their style at work and that they can also wear to an after-work social event without having to change. “I like Banana Republic,” one woman told us, “because I feel I can always go in and find something that fits my need—whether it is for work attire or a date that night.”

Banana Republic has been particularly successful at delivering this balance and versatility by creating a limited number of style “families,” each with its own distinct physical fit and look. Each family offers a variety of styles and fabrics so that a woman can round out her wardrobe within a single product family. And the physical fit of the family, especially the pants, varies very little even as new styles are introduced over time. So if a woman knows she looks good in pants from the Martin family—a classic fit that sits just below the waist—she knows that a new pair will fit her just as well. This makes pants shopping much easier, more reliable, and less stressful. But above all, it saves time. A woman can go directly to the display of the pants family she wants—always clearly marked in the retail locations—and can also feel confident enough of the fit to buy additional pairs online.

Beauty. The beauty category has exploded with choices, making it harder and harder for women to navigate. Yet the most common retail formats for cosmetics—the department store counter and the drugstore—have steadily been losing share to emerging concepts.

One that has been particularly successful is Sephora. It provides a complete assortment of brands stocked in open displays so that women can try them before buying. Sephora offers a no-pressure atmosphere: there are no manufacturers’ reps working in the stores, and no one is jumping out at you to buy. Sephora has realized double-digit sales growth in each of the past five years, and it has been a growth vehicle for its owner, LVMH, despite initial skepticism when it began its rollout. Today Sephora is continuing to expand its presence around the world.

Fitness. Convenience, value, and effectiveness are the three basic elements women look for in workout regimens. Programs that have enjoyed the greatest success are those that are easy to follow, that a middle-class woman can afford, and that produce the results an overweight woman wants to see. Curves—a women-only facility—has become a runaway success with a very simple concept: cheap, fast exercise routines, available in

convenient locations. There are no men there to leer at you or to hog the good machines. The goal at a Curves gym is not to develop six-pack abs and glutes as taut as trampolines, but to shed a few pounds, increase cardiovascular health, and tone up a little. The Curves staff tracks your progress by measuring inches lost rather than pounds, which gives women a clearer idea of what they have achieved.

Curves occupies a distinct and increasingly successful space in the fitness industry. The technical and functional benefits of the Curves experience add up to a real emotional boost for most customers. When we talk to women at Curves gyms, they tell us that they have an overwhelming sense of achievement—that they amaze themselves because they feel as though they’re transforming their bodies.

Becoming the Company That Women Want

The companies that truly understand women and serve them well follow the four Rs: recognize, research, respond, refine.

Recognize the size of the opportunity in women’s goods and services, and commit to discovering where and how the company can realize it.

Research how a product or service is consumed, from the beginning to the end of the process, paying careful attention to frequency of use, habituation, the process by which dissatisfaction occurs, and the total time each consumer segment requires to buy, use, and stop using a product or service.

Respond with disruptive innovations that create new categories, new segments, or entirely new sources of products and services. These are innovations that address consumer needs in a way that no other brand or product has done.

Refine ideas in a way that creates lasting relationships with female consumers, builds connections, and continually improves the offering to strengthen those relationships.

Female-centric companies are also adept at understanding women’s *value calculus*. All consumers, but women in particular, rely on a personal value calculus to assess every product or service from several perspectives. They consider its technical, functional, and emotional merits. They compare it with similar products they know about

or can gain information about. They gather facts and opinions about usage and satisfaction from many sources, especially their personal networks, and take stock of how a purchase will affect their own situation and their relationships with others. Finally, they plug all these factors into an unwritten and even unwitting—but nonetheless rigorous—calculus that enables them to determine the product’s value to them at any given moment and whether its price justifies its purchase. When the perceived value exceeds the asking price, the product will fly off the shelves. When the opposite is true, virtually no amount of sales and marketing activity will move it.

A Place to Begin

Executives often tell us that their organizations are eager to focus on the “female opportunity,” but they don’t know how to get started. Here is a list of questions that will point your managers in the right direction.

- ◇ Are listening and responding second nature to our company?
- ◇ What are the dissatisfactions in our categories? How do they rank by importance to women? Which ones can we address most successfully? Which can we address fastest?
- ◇ Is our product design appropriate for women? Is it pleasing to the eye? Does it accommodate women’s needs?
- ◇ Does the merchandising communicate the special way that the product or service responds to women’s specific desire for time savings, connection, love, or beauty?
- ◇ Does the sales force clearly understand why the product or service is better for women? Have they been taught to serve women appropriately, anticipate their needs, and provide comprehensive follow-up?
- ◇ Will our marketing turn skeptics into believers? Or will it show up on YouTube as yet another example of condescending advertising?
- ◇ Are we thinking about this opportunity as a source of major new business, rather than as a small, ancillary segment?

We believe not only that women represent one of the largest market opportunities in our lifetimes but also

that they will be an important force in hastening a recovery and new prosperity. The rewards for companies that *do* understand what women want and are able to serve them well will be enormous.

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