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Marketing to women

Hello, girls

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Recession-hit companies target female customers

NEVER mind the fight to get people to open their wallets in the recession—some companies are taking a different tack, and trying to get customers to open their purses instead. In America, where female consumers make more than 80% of discretionary purchases, companies have started tailoring their products and messages to appeal to women, in an effort to boost their sales.

Frito-Lay, a snack-food company owned by PepsiCo, has launched a campaign called "Only In A Woman's World" to convince women that crisps and popcorn are not just for male, beer-guzzling sport fans. OfficeMax, America's second-largest office-supplies company, has redesigned its notebooks and file-holders to appeal to women and has run advertisements that encourage women to make their cubicles more colourful. For the first time, McDonald's was a sponsor of New York Fashion Week in February, promoting a new line of hot drinks to trendsetting women.

Eric Almquist, head of global consumer insights for Bain & Company, a consultancy, says he is surprised it has taken a recession to get companies to focus on women. After all, it is hardly news that they control the vast majority of consumer spending. (They buy 90% of food, 55% of consumer electronics, and most of the new cars.) But the recession has prompted companies to rethink their approach.

SheSpeaks, a marketing consultancy that helps companies including Citibank and Philips reach women consumers, has tripled its number of clients since the recession began. Some women's magazines, too, are benefiting as companies that had never before expressed interest in advertising with them are now doing so.

Aside from their greater purchasing clout, women are valuable customers for three reasons. First, they are loyal, says Marti Barletta, author of "Marketing to Women", and more likely to continue to buy a brand if they like it. Second, women are more likely than men to spread information about products they like through word of mouth and social-networking sites. Third, most of the lay-offs so far in America have been in male-dominated fields, like manufacturing and construction. This means women may bring home a greater share of household income in the months ahead and have even more buying power.

But marketing to women may not work for every company. In particular, for firms (such as some carmakers) with brands that are regarded as strongly male, "gender bending", or trying to attract the opposite sex, could enhance short-term sales but cause a longer-term decline. Jill Avery of the Simmons School of Management in Boston researched this trend with cars. When Porsche released a sport-utility vehicle designed for women, sales temporarily increased, but men started to move away from the brand, on the basis that it had compromised its masculine image. But in this recession, having a tarnished brand is better than having no brand at all.

Illustration by David Simonds



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