



## Once upon a time...

...the consumer was king. Yet with women responsible for economic activity totaling \$7 trillion a year and driving 80 percent of all consumer purchases, things have changed.

This month's article offers highlights from a speech I gave last month to an advertising and marketing association in New Jersey about the incredible, yet underserved purchasing power of women.

If your company, division or association is interested to arrange a speaking engagement on this or other business topic, please contact me directly at 516.670.THINK (8446) or [beth@cerebellas.com](mailto:beth@cerebellas.com).

Enjoy!

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## The consumer is QUEEN

Woe is the over-40 woman. Destined to near irrelevance in an advertising culture addicted to 18-34 year-old men, baby boomer women languish, unattended, as marketing's forget-me-nots. Bit by bit the tide is changing as businesses of all stripes wipe the sleep from their eyes and awaken to see this once-revolutionary generation as the catalyst for a major transformation in the making. The awesome purchasing power boomer women yield day in and day out over a staggering array of buying decisions is real and here to stay. Wake up or get out of the way.

For those of us born between 1946 and 1962, we're left to scratch our heads wondering what's taking so long for marketers to acknowledge boomer women as the predominant consumer. After all, women in general account for over 80 percent of all consumer purchasing decisions in the U.S.—everything from healthcare to housing, vehicles to vacations, education to eateries. Yet to marketers, women—especially those over 40—are surprisingly irrelevant, relegated to traditional female-oriented advertising for the usual mix of household or family-friendly products, feminine care, cosmetics and some pharmaceuticals. How can this be happening?

Simply put, our business and marketing cultures are the result of two deeply-held myths: money (and power) is young and it is male.

The picture of this particular brand of youth is under 30 and wrinkle-free, attractive to marketers who aim to make these youngsters customers for life. The thinking goes that older consumers have more established brand preferences and have little switch potential—making younger prospects hot, ROI-worthy targets. This in spite of research that people age 50+ are actually less fixed in their brand loyalties than those 16-34, suggesting—at the least—that 'old' folks are open to new brands and experiences (not to mention they have more disposable income to burn). But Madison Avenue never lets facts get in the way, which brings us to the second marketing myth: men are the big spenders. It's difficult to reconcile that fantasy with women holding sway over more than 8 out of 10 purchasing decisions. Still, as recently as 2003, Samsung held male-only focus groups to test new products—in spite of the fact that women make half of all technology and consumer electronics purchases. The company's focus groups are now comprised equally of men and women.

Of course not every company is blind to the peerless purchasing power of women, and some are beginning to recognize baby boomer women in particular as the fairest of them all. Better educated and financially well-off than any previous or subsequent generation, these women are often caretakers to both children and aging parents—determining how *their* dollars are spent—in addition to influencing how the men in their lives spend the family bounty. The nexus of multi-generational family life, boomer women are driving a variety of purchasing decisions large and small. For example, they are key players in how some \$100B is spent annually in the elder healthcare market. In 2007 they will direct over \$2.4B in consumer spending. And by 2010, women will control 60% of this nation's wealth.

Smart companies will integrate women into all aspects of the product or service experience, both within their businesses and in customer outreach. And with some exceptions, these same smart companies will understand that women are not a separate or niche market, but rather are an essential, credible and powerful part of the market.



**In the spirit of never do today what you can put off til tomorrow...**

...thanks to my friend David Lesage for sharing an engaging and humorous article on something many of us are all too familiar with: structured procrastination (yes, our affliction has a fancy name!).

When you get around to it:

[www-csli.stanford.edu/~john/procrastination.html](http://www-csli.stanford.edu/~john/procrastination.html)

**Reader response to last month's article about mobile payments via text messaging technology:**

"Transactions by cell phone—I think it's easy enough to spend money as it is. My daughter was in San Antonio recently and lost her cell phone. Should connecting these dots concern us?"

"As usual I enjoyed your last issue.

I think that Visa and MasterCard are getting nervous about being cut out of many new payment trends... You can tell that Visa is getting nervous: this is the first April in memory that they didn't raise the interchange rate and, in some cases, eliminated some fees."

**FAST FACTS**

**1 Stepping out?** What happens when a hum-drum shoe company adds a few high-flying designer items into the mix? Probably not much, but don't tell that to Nine West. The company, which pumps out affordable women's shoes and accessories, will feature a handful of limited edition, high-end shoe styles in the coming months to draw more interest—and customers—to its stores. The new shoes will sell for at least double the price of those in the Nine West line—some for as much as \$350—a tall order for a company that otherwise features product made in low-rent countries and that retail for less than \$100 on average. As reported in the May 31<sup>st</sup> *Wall Street Journal*, perhaps Nine West got inspired by H&M's recent success when that retailer sold out of one-time collections by Karl Lagerfeld and Stella McCartney. But Nine West lacks the brand cache of H&M, Target and other 'cheap-chic' retailers, where consumers have come to expect design savvy for a bargain. The CEO of Nine West's parent says the company aims to create a 'halo effect' around the Nine West brand by putting its toe into the high-end shoe market, believing it will revive the sagging brand. Chances are it will do little in the long run to boost the company's image as a fashion player, unless it upgrades the fashion-quotient of its otherwise pedestrian line of shoes and accessories.

**2 Mom said...** Procter & Gamble, on the heels of its success with Tremor—a teen word-of-mouth program—are trying to tap into the power of mothers to sell everything from dish soap to pens to new television shows. The program, called Vocalpoint, looks for women with children ages 19 and under who are natural 'connectors,' or those who speak to an average of 25 to 30 other mothers in the course of their day. Offering free product samples, coupons and the inside track on new products or services, P&G enlists the 600,000 mothers in its database to chat up these goodies with their friends, relatives and co-workers. According to figures cited in the May 29<sup>th</sup> issue of *Business Week* magazine, the consumer goods giant has seen marked results in locations where Vocalpoint made a marketing push: double the sale of Dawn dish soap and a 17% increase in sales of Febreze Air Effects. Much like its Tremor initiative, Vocalpoint aims to promote non-P&G products as well; outside clients include ABC and WD-40. Yet by leaving it up to its army of moms whether to disclose their affiliation with P&G, the consumer goods giant caught the attention of the Word of Mouth Marketing Association, which insists on complete disclosure and rejects all forms of stealth marketing. For more information, go to [www.vocalpoint.com](http://www.vocalpoint.com) and [www.womma.com](http://www.womma.com).

**3 Seeing is believing.** A poet, with support from NASA and MIT, has invented a machine to help people with compromised vision or blindness 'see' in ways they never had before. The device is based upon a diagnostic scope that projects images directly onto a patient's retina, enabling those with vestiges of a healthy retina to see the projected image. Ten years in the making, poet Elizabeth Goldring—a visually-impaired senior fellow at MIT's Center for Advanced Visual Studies—led the development of a less costly, less cumbersome and potentially mass-marketable device. It uses a new visual language comprised of words, graphics and symbols, which together convey information that helps people with limited sight 'previsit' unfamiliar built environments, surf the Internet and 'read' text. For the complete article, found in *The Engineer Online*, go to [www.e4engineering.com/Articles/294663/Seeing+a+solution+to+partial+sight.htm](http://www.e4engineering.com/Articles/294663/Seeing+a+solution+to+partial+sight.htm).

