

Marketing to Women in the Post-Recession World

hustle

BONNIE ULMAN

SAL KIBLER

PMP

Paramount Market Publishing, Inc.

Paramount Market Publishing, Inc.
950 Danby Road, Suite 136
Ithaca, NY 14850
www.paramountbooks.com
Phone: 607-275-8100; 888-787-8100
Fax: 607-275-8101

Publisher: James Madden
Editorial Director: Doris Walsh

Copyright © 2013 Bonnie Ulman & Sal Kibler
Printed in USA

All rights reserved. No part of this book may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of the publisher. Further information may be obtained from Paramount Market Publishing, Inc., 950 Danby Road, Suite 136, Ithaca, NY 14850.

This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is sold with the understanding that the publisher is not engaged in rendering legal, accounting, or other professional services. If legal advice or other expert assistance is required, the services of a competent professional should be sought.

All trademarks are the property of their respective companies.

Cataloging in Publication Data available
ISBN-10: 0-9851795-2-X | ISBN-13: 978-0-9851795-2-6

Contents

Preface	ix
1 Farewell	1
2 Jolt	11
3 Hustle	21
4 Escape Hatches	31
5 Trading Down	40
6 Sway	51
7 Screens	61
8 Sages	69
9 Seers	78
10 2020 in 20/20	89
Acknowledgments	93
Endnotes	97
Index	103
About the Authors	107

chapter 9

Seers

"You've got to think about big things while you're doing small things, so that all the small things go in the right direction."

—Alvin Toffler

Marketing to women who have endured the Great Recession and are marked by its impact is like juggling fire: the smallest miscalculation and somebody gets burned. Navigating the marketplace in the post-Recession era requires discipline, focus, and a steady hand, along with an understanding of how women will behave and why. Here are a few of the questions that deserve serious attention:

- How does one establish or rebuild a bond with a consumer who is primarily interested in a superior transaction rather than a relationship?
- How does one underscore the unique selling proposition of an established brand when she is focused on the deal?
- How do you set forth a pricing strategy in a Hustle economy?

- When she is a power user of technology, how do you ensure your brand is present before, during, and after every transaction?
- How do you navigate the retail landscape that is quickly evolving?

And, by the way, it's never been harder to manage an integrated communications and marketing program of paid, earned, and owned strategies.

Thanks to the trauma they experienced from the disastrous economy, women are subconsciously waiting for the other Jimmy Choo to fall from the sky, hopefully with a steep discount attached. Mild concern escalates to fear when headlines scream "Major Crash Ahead for U.S. Investors," and "Why Inflation is Imminent."¹ The talk-news circuit eats up alarming predictions from media-friendly investors who hit the airwaves plugging books and speeches and inflaming the fears of vulnerable viewers. With a dynamic economic backdrop, how do you map out a strategy for your brand or company when your target consumer is less trusting, slower to purchase, hyper-vigilant, hyper-educated, fixated on a discount and using all the screens available to determine if you should be part of her consideration set? We see six scenarios playing out as consumers adapt to a post-Recession life.

Six Lessons Every Marketeer Should Learn in a Post-Recession World

1. How to make shopping mean more than a discount.
 2. How to prepare for the deal marketplace to shift.
 3. How to cure her Frugality Fatigue.
 4. How to make the most of mobile.
 5. How to be relevant to women.
 6. How to earn her respect.
-

1. Showrooming v. Showrooms

(Or, *How to make shopping mean more than a discount.*)

Whether your responsibility is to move a brand off the drawing board and onto the retail floor or to drive traffic to a local business, or even create the next must-have mobile app, you need to be well-versed in two key factors that are rapidly changing the retail landscape. First, as we have described throughout this book, women are using multiple technologies in ways that are dramatically changing their behavior on the retail floor. Second, they are addicted to the discount.

JC Penney

These consumer behaviors are working at cross-purposes for department store JC Penney. In an effort to overhaul and update its brand, JC Penney, under the leadership of CEO Ron Johnson who developed Apple, Inc.'s chain of eponymous stores, announced that it would roll out redesigned stores where boutiques within the store would feature the wares of interesting designers. The intended outcome of this move was to help women access fresh, high-quality merchandise at everyday fair prices without needing to rely on sales, discounts, and coupons. What JC Penney didn't count on was the ingrained coupon-clipping behavior of its loyal female shoppers. Now, the century-old retailer has alienated its established customer base and been slow to draw in Millennials, who are vital to the strategy. In announcing earnings for the fourth quarter of 2012, JC Penney reported sales were down nearly 30 percent from the previous year² and merchandise vendors are unhappy. The company has brought back sales and coupons, JC Penney calls them "gifts," for its loyal shoppers. In a story for NPR's *Morning Edition/Planet Money* segment, retail analyst Rafi Mohammed described CEO Johnson's approach

as, "He sort of said sales were akin to drugs, and he was trying to wean customers off drugs." Adding, "It didn't work. The old customers really did love clipping coupons and waiting for sales."³

We like what JC Penney is trying to do. A marketplace can't survive if the only proposition is a deep discount, so a strategy to encourage consumers to move past a discount mindset is prudent. Hard to accomplish, but smart. The challenge is this: How do you replace the financial benefit and emotional rush that a woman gets from executing on a fabulous deal. You'll have to replace it with something as fulfilling and valuable. This is where technology, consumer-empowering information, and satisfaction come in to play. A trip to the store isn't just about the purchase anymore. It's a field trip, like going to the Smithsonian, where a visitor can interact with the exhibits for a more meaningful, personal experience.

Webvan

First, a trip back in time. We miss Webvan. Anyone who didn't experience the joys of ordering groceries online and having them delivered to your kitchen counter in 2001, really missed out on something special. The problem was not Webvan's service. Customers, especially mothers, appreciated the service, rewarding it with an 89 percent satisfaction rating on Epinions.com.⁴ The fatal flaws were that online grocery shopping was a decade before its time; Webvan aggressively expanded to a wide network of markets, and it ran out of operating cash before the general market could catch up to the concept.

What would happen if Webvan was reintroduced today: If it were backed by brand assets important to women, like convenience, Green, and locally sourced? And, in a time when 22 percent of women make an online purchase every day?⁵ A time when a survey from Robert Half Technology notes that 60 percent of employers have to block

online shopping from company computers?⁶ While not a brick and mortar store, it could have been. The online ordering aspect could have easily been an extension to a physical location. The real story here is that Webvan offered a great proposition: fair pricing, great customer service, easy to use, an easy-to-understand benefit (time savings), and a smart use of technology.

the American pastime

In 2003, James Farrell, a professor of history and American studies at St. Olaf College, claimed that shopping was America's favorite pastime.⁷ While Farrell's book, *One Nation Under Goods: Malls and the Seductions of American Shopping* (Smithsonian, 2003), talks most about the mall shopper experience, today's pastime continues not just in brick and mortar malls, but pop-up shops, online sites, flash deals, and consumer-run swap-and-sell sites like Freecycle and Share. Retailers must consider carefully what they want their "retail" presence to be. Is your brand appropriate and nimble enough to fit multiple formats? Or, is your brand dependent on certain characteristics of "place?" Regardless, your place of sale needs to give your target customer opportunities to be part of the experience and to make her feel smart and somewhat in control. Make it interesting, entertaining and rewarding, not time intensive. And offer meaningful, connective, fresh content to keep her coming back.

As a retailer and a brand, how do you reconfigure the shopping and purchasing experience to embrace the reality of how women buy today? How do you inspire a transaction between consumer and your brand when the gatekeeper is in the midst of dynamic shifts?

We suggest looking at the mash up of the best aspects of retail and online shopping, where you deliver a boutique experience online or a compelling technology at the point of sale in a traditional retail

environment. Imagine the possibilities if a shopping cart had a dashboard outfitted with GPS to help a consumer navigate the sales floor, with mobile price-checking capabilities making the bulky wand a relic. The dashboard might also allow product reviews from some of the best reference sites, point her to special insider deals within the brick and mortar environment, and use the latest collaborative filtering software to customize options just for her. What if the contents of the cart were tallied and an estimated total sale price displayed prior to reaching the check-out line? What if all this were available in a phantom version in an online storefront?

2. What's The Big Deal?

Prepare for the deal marketplace to shift. Groupon and other deal sites are struggling to keep a good inventory of customized product for today's mega-deal shopper and working to deliver deals that are unique and differentiated. "Big daddy" Groupon is feeling the pressure, and a shift in the C-suite signals even more changes to come. If your brand strategy includes a discount, then make sure your deal is meaningful or unique. Make the offer an event—something special that she can't access all the time. And don't elevate deal-making as the centerpiece of your strategy unless cutting prices is your vision of the future.

More than half of consumers (52 percent) said they felt overwhelmed by the number of daily deals they receive.⁸ From this dissatisfaction, services like Unsubscribe from Google are providing apps that will crawl through your emails to safely remove you from daily deals and other social applications, eliminating the early chorus of pings on your iPhone as they all roll in. "When I got an offer for a discounted bouncy jump birthday castle for little kids, I unsubscribed,"

said a mother of two college students. “Clearly they were scraping bottom to send me a deal, any deal. I don’t need that clogging up my inbox. What used to be a really great service became junk mail.”

3. Curing Frugality Fatigue

With frugality fatigue as a headwind, consumers have become weary of a life of austerity and ready to consider select purchases in a range of categories. Women will begin to replace basics, from personal items to services and products for the home, that they did without at the height of Recession. As a brand or service offering, you can help them evolve from extreme streamlining into a more balanced approach to spending. Demonstrate how your product will help her recalibrate the introduction of additional brands into her home and take on new activities or those that have been in a holding pattern. She will consider products that meet her evolved criteria set:

- Does it make me feel smart? Did I learn something?
- Did I enjoy the experience?
- Do they get me?
- Did I get a good value? Or better yet, a great one?
- Does it fit into my edited life—multipurpose, easy to maintain and store, versatile?
- Was my user experience convenient and easy to navigate?
- Does it make me feel like I’m no longer on an austerity plan? (This is a big one!)
- Does it require a long-term commitment?

There is a staggering amount of pent up demand among the

women that we spoke with. They are tired of saying no to their kids, tired of dreading gifting occasions, and tired of their out-of-date wardrobes. Your challenge in reaching this shopper will be to find a way to invite her out for a special occasion and give her permission to have some fun with your product or service. Life does not have to be so serious.

4. Swipe It

Soon the use of the digital wallet will become *de rigueur* and even the smallest of craft show artists will be accepting credit card payments through a \$10 attachment to their smartphones. The morphing and melding of mobile technologies to be a one-stop portal for all things associated with revenue means that your brand must communicate its premise in a big way, on a small screen, with fewer and fewer characters. Content in these formats requires a return to the need for an economy of word usage and quality, and compelling video images that were once exclusive to television.

Your brand must communicate its premise in a big way, on a small screen, with fewer and fewer characters.

Don't assume that technology is just for the young. Boomer women are the fastest adapters of new technology and social media, and the Great Recession only fueled their passion. A trip to the Apple store on any given day means a wait in line as the crowds of Baby Boomer women get personal coaching from their "Genius" to manage a growing set of technology devices. These are the women with potentially the greatest spending power and most time to shop. Never assume that the tablet is a toy for the young—for women, young and old, it's a power tool.

5. Go With The Flo

This statistic is worth repeating: Sixty-four percent of the women we surveyed say that advertisers do not understand their needs today. At a time when your brand needs to become or remain part of her consideration set and prove to be a worthwhile transaction, she thinks you don't get her. So move over Betty Crocker, it's time to go with the Flo.

The Progressive Insurance lady is one of the best examples of how a brand speaks to women with a message that's meaningful and through an icon that makes it a joy to buy insurance. Flo is helpful and pleasant, appropriately sassy, and comforting, at a time when those attributes are hard to come by in everyday real-world interactions. The popularity of Flo can be found on Twitter, YouTube, and Facebook, where there are more than a handful of separate sites created for Flo. Her iconic presence has extended beyond the television screen to social, mobile, games, print, radio, and even into the world of Halloween costumes. A wig, a name tag, and a white apron and you're good to go.

What makes Flo work for the Progressive brand is the understated, yet powerful, respect it shows women and the emphasis on helping a woman solve a problem with an easy solution. Simplify the concept. In a Recessionary world, there's no room for anything overly complicated, so don't overcomplicate it. Finally, remain true to your brand. The post-Recession consumer is more authentic than ever, and she expects the same from brands. Peter Hempel, CEO and president of DDB New York, offered the following advice for advertisers and marketers:

"Continue to treat women like real people, reflect their authenticity. Demonstrate honesty in your approach. We stand behind

the credo that there is nothing more impactful than understanding the true nature of women.”

One-of-a-kind Flo offers up insurance in easy to understand boxes, sweetly scoffs at those who make it complicated, and even price shops for you. No wonder everyone but the competition loves Flo.

6. Make Her Day

A popular customer-service and sales-training gimmick in the early days of the millennium was the FISH! Philosophy. It was explained in a small book about how the whacky fish-throwing antics of the Pike Place Fish Market were the epitome of the perfect customer experience. A key highlight was something called “Make Her Day.” Give her some thing, some experience, some deal, or some story that she isn’t expecting, and she will talk about it.

We believe that “Making Her Day” can help move her out of the comfort zone of suspicion and begin to rid her of some of the pent-up distrust creep. As a result, she’ll be open to trying new things and reacquaint herself with her wallet. The idea has been somewhat mainstreamed through the “Pay It Forward” movement.

Janet Simmons, one of our panelists, told a story about a perception-shifting experience at a neighborhood fast-food drive-up window during the lunch hour rush. As she pulled up to the window, prepared to hand the cashier her debit card, he said, “That’s not necessary. The driver in front paid for your lunch and asked that I tell you to have a nice day.” Stunned, Janet thanked him and proceeded to pay the bill for the patron behind her. The next week, the driver in front of her at a toll booth paid her toll in a rolling-style pay it forward.

What if brands did the same thing? Look for opportunities to

deliver a nice surprise to your consumer. She's had enough of the bad surprises. In a nod to our sorely missed defunct online grocer, one of the added benefits of ordering through Webvan was the extra something that they surprised you with every week. It might have been a couple of perfect oranges or a sample of a new product. It was something unexpected that made us smile and like them even more than for their excellent everything else.