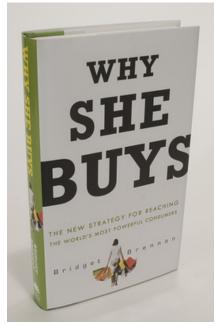
# THE WALL STREET JOURNAL.

## Book Excerpt: 'Why She Buys'

By Bridget Brennan

#### Women are females first and consumers second

The salesmen were all standing at attention as my husband and I walked through the doors of the car dealership. After months of searching, we knew we'd found our dream car. We strode into the place with confidence. In a few short hours, we'd be walking out with three thousand pounds of fine German steel. The tallest salesperson stepped forward, thrust out his hand, and said he'd be happy to help us. He had a firm grip. Things were looking good.



The test drive was incredible. It was a BMW 540i, and it's not called the ultimate driving machine for nothing. But I noticed something that seemed like . . . well . . . a flaw. At first I was afraid to mention it, even to myself. Who was I to question the magnificence of Bavarian engineering? Then I closed my eyes and imagined myself commuting to work every morning, and I could no longer keep silent. I hope you won't judge me harshly, but it was . . . here goes . . . the cup holders. Yes, the cup holders.

If you've ever driven a European car, you know what I'm talking about.

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The cup holders in this model were almost comically inadequate—like tiny plastic crab claws that made a feeble grasping motion when you touched a button. The little claws didn't seem like they could handle a sippy cup, let alone the tall, battered coffee thermos that was my constant companion.

I sat through the rest of the test drive in silence, listening to the salesman deliver a stream of performance terms including torque and zero-to-sixty, just like in the commercials, before I got up the nerve to say something. This wasn't my first car-buying experience, and I knew the disdain with which many of these guys—and they are overwhelmingly guys—view women buyers like me. How badly would I be mocked for this? I braced myself and said the words.

"What's up with the cup holders?"

He stared at me.

"They're right here."

He moved the crab claws in and out.

"Yes, but they don't seem strong enough to hold a normal cup of coffee."

Silence.

The salesperson then shot my husband a look that could be understood in any language to mean, You poor thing, how do you stand her? I cringed. My husband looked sheepish. I cringed again. And then the salesman said the first of two things that ensured he would never have my business or the business of anyone who knew me.

"Europeans don't eat or drink in their cars."

While I occasionally suffer from an identity crisis, in this case I knew with 100 percent certainty that I was not, in fact, a European.

"I'm American and I do drink in the car. In fact, I drink a cup of coffee every morning on the way to work. It's a tall thermos—you know, the kind you buy at <u>Starbucks</u>."

And then he went for a second jab, this time below the belt.

"Well, then why don't you just stick it between your legs?"

You can guess the ending to this story. We did not purchase the dream car from this man, on principle, and found the car somewhere else a month later, after my husband discovered a website selling aftermarket cup holders specifically for the 540i. The night of the dealership incident, I went on the consumer review website Epinions.com and was overjoyed to find dozens of other people lamenting the state of the cup holders in this particular model. I felt vindicated.

It appeared that the aftermarket in custom cup holders for all kinds of European cars was thriving. It wasn't just me.

These days, it's never just me. Women now dominate consumer purchasing to such a degree that some companies, like Procter & Gamble, have started simply referring to consumers with the pronoun she.

In the automotive industry, for example, women buy more than half of all new cars and trucks and influence 80 percent of all automotive purchases. Influence means that if the woman doesn't like a car's coffee cup holders, the couple (if she has a spouse) walks out of the dealership empty-handed. Women not only have money, they have veto power. It's the most powerful one-two punch in the consumer economy.

As women all over the world continue joining the workforce—earning their own paychecks as well as driving the spending of their spouses'—they have become the alpha consumers of planet Earth. As a result, executives in almost every industry are scrambling to create products and programs with female appeal, particularly in gender-neutral and traditionally "male" product categories like electronics, insurance, automobiles, and finance.

The BMW story provides a classic example of how gender differences play out at their best—and worst—in business. Women will pay attention to aspects of a product that salespeople, particularly male ones, may consider unimportant or irrelevant, whether it's the number of electrical outlets in a new home, the style of reports submitted by a consulting firm, or the quality of cup holders in a new car. In the case of the BMW, I knew from previous experience that spilled coffee is a tough smell to get out of a car and that the odor of sour lattes would ruin the luxury car experience for me. If the salesperson had taken my issue seriously and recommended an aftermarket solution, he would have gone home with a lot more money in his commission check that day.

Most sales training programs include a mantra about knowing thy customer. Across the world, women are the customers who buy virtually everything there is to be sold. Women make the purchase or are the key influencers in about 80 percent of all consumer product sales in the United States alone. But who markets and sells products to women? The answer—overwhelmingly—is men, who occupy 85 percent of all Fortune 500 corporate officer positions, the majority of chief marketing officer positions (nearly 70 percent) and corporate executive

sales management jobs, and over 90 percent of the top creative director roles at major advertising agencies. They also happen to represent more than 90 percent of automotive salespeople. It's enough to make one pause and reflect on all those jokes about car salesmen. Would the jokes be different if the gender split was even? For that matter, would there still be jokes?

To make a massive generalization, men are the sex that manufactures products, and women are the sex that buys them. This is the part of the story where you may be channeling Jerry Seinfeld and thinking, *Not that there's anything wrong with that*. And you'd be right, except for one thing: most men don't understand women. (Women don't understand men either, but that is the subject for a different book entirely.) And while almost all of us will acknowledge and even joke about the gender gap in our personal lives, what's shocking is how few people have applied an understanding of gender differences to business.

This book is designed to teach you what business schools don't—how to craft your products, pitches, and marketing campaigns to cater to female buyers. Women are females first and consumers second. The ability to understand their brain structures, priorities, worldviews, and demographic patterns can provide your company with one of the most genuine competitive advantages it may ever know. And the bonus of reaching female buyers is that when it's done well, you'll make your male customers happier, too, and they won't even realize they weren't your original targets.

## Forget Everything You Think You Know: Most of It Is Wrong

Women weren't in positions of power when the modern corporate world was created, which means that misunderstandings about women are about as common as office cocktails on the set of AMC's *Mad Men*. The inaccurate stereotypes would almost be funny if there wasn't so much money and market share at stake. Ever since the first wheel rolled out on the first assembly line, the default "gender culture" of the corporate world has been as male as a Bass Pro Shop. Men had a huge head start in the business world because they got there first. And while women are now there in such huge numbers that they're predicted to surpass men in the U.S. labor force, they got to the party so late that all the "rules" had already been set.

This means that most of the things we take for granted as conventional wisdom in marketing, sales, and product design are actually based on a male point of view. And while many companies

understand that women are their primary consumers, their executive teams still go about creating products and marketing campaigns for women as if they view the world the same way men do. Take the case of the ugly Snugli, one of the incidents that became the catalyst for this book. The year was 2003. The place was Dayton, Ohio. I was with my former colleagues from the Zeno public relations agency at the headquarters of Evenflo Company, a baby products manufacturer that was one of our biggest clients. One of Evenflo's star products, the Snugli baby carrier, had experienced a slowdown in sales, and our team was brought in to help turn the situation around. The Snugli has a proud history as the original soft baby carrier. Worn over the shoulders, it looks like a backpack in reverse. On the day of this meeting, stiff competition from European brands, including BabyBjörn, was challenging the Snugli's position in the market. The upstarts were charging double or triple the price of a Snugli and still grabbing market share. It was time to strategize.

The Evenflo team put the Snugli in the middle of the conference table. We stared at the lump of cloth like scientists examining a new life-form. One of the Evenflo people said, "We've got to find ways to get more PR for this, or we're going to lose shelf space at our retailers."

As I looked down at the lump of cloth on the table, it was clear to me: no amount of PR would help. It was mud brown, with a pattern on the inside that looked like an old man's plaid shirt.

"It's an ugly Snugli," I told the group. "That's why it's not selling."

First I heard awkward giggles (mainly my own), and then silence. We all stared at the bulky, quilted material in front of us. Finally one of the product managers spoke.

"The important thing is that this is the safest possible baby carrier. It surpasses all Underwriters Laboratories requirements and can hold up to twenty-six pounds. It has greater tensile strength than our competitors'," said the manager. Everyone listened and nodded. The functionality of the Snugli was never in question. Not only was it strong and safe, it was practical—it had pockets, a place for keys, and sliding back straps that could be adjusted for the wearer's height. I looked around the big table. As I'd seen so many times, every person on the agency side of the table was female, and the overwhelming majority of people on the client side were male. I had that old familiar feeling that there was a cultural misunderstanding happening in the room—a misunderstanding of gender cultures. Except this wasn't just a gender gap; it was a gender canyon.

So I clarified. "This is something a woman actually wears on her body, like a piece of clothing. If she's going to wear it, the Snugli should look fashionable, like any other thing she would choose to wear. It's a reflection of her taste. It needs a different style." The fabric on the Snugli wasn't just homely, it was bulky, and as any woman knows, the last thing a new mother wants to wear after childbirth is something that makes her feel even bigger.

Silence again. Then smiles. Then nods. I could almost see the lightbulbs going off above the heads of everyone in the room. What a concept—to think that because this product is worn on the body, it should be fashionable and flattering as well as functional. Of course! What an insight into the female mind. We all laughed at the revelation: the male-dominated Evenflo team was thinking like engineers, and we were thinking like women—their customers! The clients agreed that embarking on a new fabric design for the Snugli was the best course of action. Our team offered to draw up a list of designers that Evenflo could work with for a new style, and we soon boarded the plane home.

After that fateful meeting, we helped Evenflo partner with fashion designer Nicole Miller to create a limited edition of the Snugli as a test of the fashion-forward concept. Miller designed a sleek, unisex version of the baby carrier in black with white piping. We sent the stylish new Snugli off to celebrity moms, and before we knew it, pictures of the product being worn by celebrities, including Courteney Cox and Cate Blanchett, started appearing in glossy magazines. The company even got a thank-you note from little Apple Martin, daughter of Gwyneth Paltrow, one of the most stylish actresses anywhere.

The redesigned Snugli was selected by Oprah Winfrey as a giveaway during her "World's Largest Baby Shower" episode, and subsequently sold out online. Soon after the Nicole Miller project, Evenflo brought in a new CEO, Rob Matteucci. As a twenty-seven-year Procter & Gamble veteran and former head of Clairol, this was a man who knew from women. Matteucci embarked on a makeover for the brand, which is now fully under way.

What's different today? The company now employs women brand managers and engineers who interact directly with mothers to get feedback on Snugli designs. It has fashion directors who go to Paris and Milan for inspiration on fabrics and color trends. The lumpy cloth is a thing of the past. The brand team follows mommy blogs and website communities to stay in tune with their customers' needs and opinions. In essence, understanding women has become every employee's job.

Matteucci acknowledges it's been a long road from the bad old days of the brand, when designing from a woman's point of view was an afterthought. "The process of translating what we learn from mothers has become part of our culture, but it's something we have to work at every day," says Matteucci, who's installed a library of information about women at the company's headquarters. "We are still a work in progress. We've made strides, and we expect great things to come. Understanding women is a commitment at every level of the company, and without a doubt, it's the only way forward for our business."

## If You Don't Know the Price of Milk, Read On

After that Snugli meeting in Ohio, I sat on the plane thinking that if only all of our clients could see their products and campaigns through women's eyes, how much easier it would be for them to succeed. The majority of male executives I worked with had long ago abdicated shopping to their wives. I knew that when pressed, few of my clients could tell me the price of a gallon of milk. They weren't the shoppers for their households, but they spent their workdays trying to reach the people who were.

And I observed that the more senior an executive was, the more he or she made decisions about customers based on second- and third hand information, whether it was quantitative research reports, agency briefings, or written reports from focus groups. (Let's face it: the higher up the food chain someone is, the less likely they are to be munching M&Ms in the back of a focus group facility.) Most significant of all, the vast majority of executives were male, so they were also separated from their customers by the wide gulf of gender. Things got lost in translation. The trouble was, these smart and well-intentioned executives would assume that as long as they used women in consumer research or placed women in a few key management positions, gender differences would be taken into account somewhere along the way. Mostly they weren't.

There are many reasons for this, which we'll explore throughout the book. But one is that it isn't just men who misunderstand their female audiences. Women executives have been schooled in the same conventional wisdom of business that men have. And many find themselves going against their better instincts at work or refraining from putting forth their ideas because they don't want to cast themselves in the soft pink light of femininity, in case it's used against them. There is no doubt: the companies who invest in understanding their primary consumer are winning. In the pages ahead, you'll learn how these companies are changing the rules,

dominating their markets, and reinventing their categories. From upstarts such as method and lululemon athletica to titans like Procter & Gamble and MasterCard Worldwide, these mavericks are mastering gender differences and leaving their competitors behind. Their best practices will provide a blueprint for how you can do the same for your business.

## It's not a gap, it's a canyon

Gender is the most powerful determinant of how a person views the world and everything in it. It's more powerful than age, income, race, or geography.

Most of us ignore biological differences when we examine our customer base, mainly because we've never been taught about them. The brain is still a poorly understood organ, but we do know one thing—there's no such thing as a unisex brain. New medical research has shown that brains in human beings have sexually dimorphic regions, or areas that are distinctly different between the sexes. The balance of hormones that drive our decision-making processes are complex and distinct to each sex. Biology dictates behavior in every species, whether it's muskrats, antelopes, or human beings. This book will examine the real-life implications of brain differences and their impact on women's purchasing decisions and emotional responses to product design, advertising, retail environments, and sales pitches.

## Consumer research has a forest-and-trees problem

Without arguing the merits of various research methods or the fact that research is often outsourced too many levels down from corporate decision makers for them to get a handle on important nuances, one thing is true: we often overlook the obvious. Most of us have worked for companies that spend serious money conducting studies to learn about the target consumers.

#### We'll do things like:

- Analyze their propensity to buy
- Segment them by income bracket
- Target them by age group
- Deconstruct their search patterns
- Dissect their warranty card information
- Study their media habits

We'll slice and dice data until our eyes are crossed, yet in many cases we'll overlook the one piece of information that trumps them all: the sex of the buyer. Considering there are only two genders in the human race and one of them does most of the shopping, it's stunning how many companies overlook the psychology of gender, when we all know that men and women look at the world very differently. It's as if the most fundamental aspect of human nature has been overlooked: What if we are selling product X to a woman instead of a man? How does this change the equation? The answer is that it changes the equation entirely, and far more deeply than the thin research that's so often generated. Chapter 4 will show you how Procter & Gamble developed female-centric research programs to create wildly successful products such as Swiffer that have increased the company's stock price and reenergized its standing as one of the most innovative companies in the world.

### Normal depends on which bathroom you use

It's human nature to think that our own behavior is normal and that it's all those other people who are strange. Men and women inadvertently use their own gender "filters"—or personal biases—to make decisions about what they believe the other sex wants in a product, brand message, or sales environment. In a corporate world dominated by male senior executives and female consumers, the implications for misunderstandings are large and costly.

Most human drama is driven by the fact that men and women are interested in and desire different things. What's true at home is true in business. Women respond to different tones and styles and stimuli than men do, and they assign different values to various facets of their own experience. The fact that many, if not most, major marketing campaigns go through a male "filter" before hitting the airwaves has real consequences for businesses that are trying to reach women. The lessons from companies that have successfully tapped into the female human experience, such as MasterCard, are profiled in Chapter 5.

## There is a distinct female culture that decision makers need to better understand

Even though men and women live together their entire lives—as siblings, offspring, parents, spouses, friends, and colleagues—women live in a distinct female culture, with its own standards of behavior, language, priorities, and value systems, that can be as difficult for men to detect as a dog whistle.

From the moment they're born, girls are socialized differently than boys, and the codes of behavior and messages they receive from adults and society are wildly different. In the pages ahead, we'll examine the fundamentals of female culture and learn why women such as Oprah Winfrey and the late Princess Diana can be considered case studies of female values. On the flip side, we'll look at how the military is a nearly perfect microcosm of male culture in action. You'll learn how to view your campaigns and communications through a new filter, to determine whether your efforts are "gender tone-deaf" when it comes to connecting with a female audience.

## Five major trends drive the female demographic, and these are key to predicting consumer needs

As women increase their purchasing power almost everywhere, they're unleashing major changes in society as well as in consumption patterns. These changes create needs for new products and services that are only beginning to be tapped to their fullest potential. From ore women in the labor force to delayed marriages, higher divorce rates, more time spent as singletons," and an aging population, the opportunities are enormous for companies that understand the business implications of these demographic changes. This book will chart the five major trends driving female populations around the world. You'll be able to use the information as a blueprint for long-term planning. Each macro global trend is engendering a number of specific micro trends, which are changing women's behavior and, therefore, their needs and wants.

## Life stage is more important than age

Women go through similar experiences throughout their lives, but not necessarily at the same ages. This is especially true today, when women are marrying and entering motherhood so much later in life, and "forty is the new thirty," "fifty is the new forty," and so on. Purchasing decisions are typically based on the context of what's happening in people's lives at any given moment, not necessarily their chronological age (with the notable exception of biology-related medical products).

The old "rules" about what characterizes a forty-year old woman, for instance, no longer apply. Today, a forty-year-old woman might have just had her first baby and is embarking on the life stage of new motherhood—which was once the province of twenty-somethings. For the next two decades, this life stage will drive her purchasing needs in a different way than is the case with other women her age, who may already have grandchildren at the same age, or perhaps no kids at all.

As such, for a significant number of product categories, life stage is a more accurate gauge of a person's needs and shopping patterns than the date on a woman's birth certificate.

### The knowing/doing gap

No matter how many jokes we make about the opposite sex, we continue to find our differences shocking, which is why we fail to institutionalize professional practices that account for them. The pages of this book will outline step-by-step instructions on how to approach women consumers as if they were a foreign market, because for most people, the opposite sex remains a mystery.

Case studies with senior male executives from companies ranging from Callaway Golf to Ryland Homes will prove that you don't need to be a woman to effectively market and sell to women. The chapters ahead will synthesize demographic trends, gender psychology, new research on the female brain, the wisdom of industry leaders, and field-proven business practices to give you the tools you need to create, market, and sell products to the world's most powerful consumers. Office Max, Best Buy, Sony, True Value Hardware, and even Harley-Davidson are just a few of the companies that have publicly announced female-focused initiatives. You'll learn the most common mistakes (hint: pink is not a strategy) as well as the best practices (hint: assume nothing) that you can apply immediately to your business, no matter what you're selling. This book will help you take all the fundamental truths about men and women that you've observed in your own life and apply them in a fresh way—to your business.

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