



Winning Over Women
In Financial Services

KANTAR





Winning Over Women In Financial Services

While women's equality in both society at large and the workplace dominate the media, many companies are still not making meaningful connections with women as customers. A clear commercial opportunity exists with the 126 million adult females in the U.S.¹ who control 51% of personal wealth² and 80% of consumer spending.³ Brands who can build relationships with these women will have a substantive advantage over competitors – those who miss do so at their own peril.

The current landscape

American women have experienced significant changes in the past few decades, moving outside of the home into paid employment in ways their mothers and grandmothers could never fathom. Women now make up 47% of the U.S. workforce and are the primary source of income in more than 40% of households⁴. As women now make up 56% of college students, their financial power shows no signs of slowing down.⁵

Across all ages, we see a rise in single, independent women. Women's life expectancy is five years longer than men (81.3 women/76.3 men)⁶, and as the median age of marriage has gone up to 27.4 years for women, they are remaining single longer.⁷ Women – single or married – no longer expect to be dependent on their husbands in any realm of life – including financial services.

Considering this shift, it would be reasonable to assume the financial services sector is strategically developing products, services, and communications to attract and engage female customers; however, while financial services companies promote gender equality in their company makeup, it has not translated to communications and engagement with female consumers. Better engagement with female customers is a win-win situation, but today there are too few winners on either side.

As American women's wealth and financial control continues to grow, financial services companies must consider women in the design and delivery of their products, services, and communications, building an approach that resonates with all customers.

“While incremental steps have been made in past years, for the first time in history, financial services companies are more broadly trying to understand the opportunities that women represent. With more women as top earners in the household, financial services companies are finally realizing that they better not just pay attention; they better also start to figure out how to build meaningful relationships with women”

Kerry Sette, VP, Head of Consumer Insights & Research, Voya Financial

The starting point

Understanding the Financial Services Hierarchy

Kantar conducted extensive, mixed-method, and multi-layered research to deep dive into women's attitudes in the financial services space, resulting in a robust, holistic view of the relationships between women and financial services.

Significantly, research has revealed how financial services providers meet (or miss!) female customers' needs and illuminated where opportunity exists to more effectively engage women. While finance has typically been thought of as a rational space, research reveals the deep emotional engagement that women have with their finances – an innately personal, private topic – representing both safety and success – or lack thereof. Having money is tied to being responsible and fulfilling one's duty to their family. Ultimately, one's relationship with money can reveal who someone is at her core.

In America, we're taught not to discuss money – and this is a lesson learned by women in particular, who are groomed to be good, polite and to blend in. Sharing how much money you have is considered gauche, even arrogant, or classless. Women learn from an early age that money is perhaps the most taboo topic of any to discuss with others.

“I know more about my best friend's sex life than I do her finances.”

***Jessica Darmoni,
Founder, The Title Connection***

Money also can reveal a lot about people – including mistakes they've made – which also makes women shy away from discussing it. Given how social women are, and the degree to which they talk through decisions they make, it's not surprising that across the financial services category, women have fundamentally lower levels of both engagement and confidence than men do. In fact, almost half of women have low financial confidence compared to a third of men.

Research shows women's approach to finances can be grouped into three main categories:

Everyday banking and insurance

Longer term borrowing, like mortgages

Investments and retirement planning



Everyday banking and insurance

Women juggle multiple roles in the household – as their responsibilities outside the home have increased, those inside the home haven't fallen off. On average, women spend 2.6 hours a day on household activities, compared to 2.1 hours for men, and 49% of women do housework on an average day, compared to 19% of men.⁸ It's not surprising, then, that women are comfortable running their everyday household budget and making medical and insurance decisions for themselves and their families.

“They are the household CFO. Healthcare costs are their responsibility. They’re the family’s Chief Medical Officer, so they’re the ones who track vaccines, take care of preventive appointments, choose the doctors, pay the health bills.”

***Regan Mik,
Customer Experience Director, Cigna***

When it comes to their no-risk checking and savings accounts, women are loyal customers. They see these accounts, especially savings, as nest eggs or rainy-day funds, and even when unhappy with the service they receive, they are unlikely to change providers. Nearly two-thirds of women (61%) have been a customer of their bank more than five years, compared to 46% of men, despite being less satisfied than men.⁹ Given all women are juggling, if something is 'mostly' working, it doesn't warrant trying to change.

“I feel like unless something really [comes up] in the news or something turned me away from a bank, I’m probably going to just stick with that bank.”

Female Investor

In fact, women are loath to change providers unless a major life event forces them to reconsider – a marriage may necessitate joining of accounts or the opening of a joint account at the same bank, or a death in the family or job loss may also trigger the need for different interactions with financial providers. When it comes to evaluating providers for everyday banking, women are comfortable being in the driver's seat (96% understand everyday banking¹⁰).

Longer term borrowing, like mortgages

Borrowing is a different stage in the financial services journey, and while it is certainly more complex than personal finances, women are also fairly comfortable in the realm of mortgages and loans, where 85% indicate a strong understanding.¹¹ While there is risk associated here and women may worry about the financial challenges of home ownership and college tuition, mortgages and loans are seen as standard fare – everybody has one – making them more of a safe space than the murky world of investments.

“With a mortgage, most people have had one. Your parents had one, you may have had one before, and it’s always easier to talk to someone else about it if you have questions. I know for me, at least in my family, they didn’t invest but they had mortgages, so I always grew up knowing how those work.”

Female Investor

Given the complexity of mortgages, it is typical for a lender to walk the borrower through the details of the loan in person, giving ample time to ask questions. This detailed discussion tends to happen in the same way regardless of the gender of the borrower and it makes the situation much more comfortable for women who want to get into the details.

Women also take great effort to educate themselves about their long-term borrowing options beyond discussions with lenders – they tap into both the internet and their trusted, personal networks for advice. The more they talk, the more they learn, and the more confidence they gain for their interactions with lenders. Likewise, government-backed loans are a safe topic for discussion among women as all are granted the same rates and schedules.

Notably for many women, mortgages are their first face-to-face experience (other than every day banking) in a financial services situation where they may be less confident. These experiences can set expectations for future interactions, such as with financial advisors. While mortgage experiences can feel like a safe space, research reveals that financial advisors are a completely different animal.

Investments and retirement planning

While the other two stages of financial services interactions are fairly balanced between genders, when it comes to investments, particularly stocks and bonds, women's confidence wanes significantly. Women are more likely to feel overwhelmed by the different ways they can invest their money (52% vs. 45% men),¹² and they are less likely to feel as informed in this space as men even when many do more research and may be better prepared. While some consider themselves better decision-makers than men, women feel this space is very risky. Among all financial services products, investment products see the biggest gap in terms of women's involvement in the decision – 27% of women report no involvement in decisions on long-term investment products, compared to 16% of men.¹³

Confidence varies among women, but no matter their confidence level, many still don't feel empowered to invest. Between managing their household, families, and careers, less confident women do not have enough time to absorb the amount of information needed to make informed investment decisions. Where they lack faith in their ability to understand and benefit from available information, they rely on the opinions of their personal networks and typically on older males – fathers, male bosses, etc. – people who they see as successful in the financial arena.

Interestingly, women who consider themselves to be confident in the financial service category still do not feel comfortable when investing. While their information gathering habits help them feel more comfortable in the longer term borrowing realm, the complex array of investment options can be overwhelming. As with mortgages, they feel the need to do their research, but still are unsure what to trust.



The need for partnership

If heterosexual couples are considering investment, women are likely to view it as a joint decision – though the definition of joint can vary greatly. For some couples, the woman acts as the information gatherer – or the person who asks many questions rather than just jumping to a decision. Women gain confidence from having someone else on board, though, so no matter how the process was split, they tend to view the decision as joint.

Given the personal nature of finances, the need for a social component to the decision, and the lack of support some receive from their partners, it's not surprising that women are looking for a partnership from their financial services providers. So much so, in fact, that they use the same language to describe discussions with financial advisors as they do when discussing romantic partners. Financial discussions are "intimate", requiring honesty that can lead women to feel "vulnerable" with their financial advisors. They discuss things that they only discuss "with someone you share a bed with". Financial advisors are also in a position to see them at their worst – including seeing all the mistakes no one else sees. As such, women want to be reassured by someone they trust – and the financial advisor relationship must feel like a supportive relationship including having a face-to-face component.

"Personality is important because to me, I think it's like a friendship. There's a lot of your personal business that they know. So yes, it's a business relationship but because you know a lot more information about me in order to do your job, I think you should come off personable and be someone that I feel comfortable telling this information to."

Female Investor

For women of all confidence levels, this partnership area is where financial services organizations can make the biggest difference and create the most value. It is also the area where many are falling short and is compounded by the in-person experience. Women start off being uncomfortable and then they enter advisors' offices where "no one looks like me". Add to this advisors who may patronize women or ignore them altogether, and it doesn't yield a promising environment – or one that would be attractive to a group who controls so much of today's personal wealth.

"[It's a negative experience] where they just address my spouse and don't address me, when it was more than 75 percent my money that I brought into this and I'm the one who's the investor and my husband didn't know so much about it. Don't act like I'm the little lady; don't talk to the little lady in the corner; you know, she just smiles and nods."

Female Investor

"Sometimes it can make your confidence go way down if they only speak to you in their lingo and...some of them can be condescending."

Female Investor

The generational gap in retirement planning

The world is changing, and financial services are no exception – within this evolving sector, generational differences will have an impact on women’s confidence and engagement in the future. Women are becoming more educated, and as education and knowledge increase, so does engagement.

While 38% of women are worried about running out of money in retirement¹⁴, research indicates that younger women may be gaining confidence in the investment realm as cultural shifts prime them to face financial decisions and interact with financial services providers at a younger age than previous generations. As noted, life changes are an important factor in financial provider choice. Younger women are experiencing many life changes earlier – they’re no longer moving directly from a parent’s house to a spouse’s house. Instead, they are living single and independent while they develop their careers.

As the working world becomes more fragmented and job hopping more acceptable, women are facing employment changes earlier and are thus forced to contend with having to move or roll over 401K or other investment decisions much sooner than in the past. Throughout this process, women strengthen their control of their finances as they reevaluate and interact with their financial providers at the beginning and end of each employment term.

“Life changes that happened where you had to make a decision immediately...that’s kind of what forced [me to build confidence]. Like I mentioned, mine was through a layoff, so having to make a decision to roll over the money and figuring out where and what this entails...involved me having to learn about what to do.”

Female Investor



Younger women also have the benefit of seemingly automatic investing, in the form of company-controlled 401ks. Like longer term borrowing, company-sponsored retirement plans are a gender-neutral offer that many enroll in directly out of college, upon entering their first jobs. Companies provide male and female employees the same options and information, closing the gender gap in this realm. Whether they are actively controlling their retirement plans, accepting their company's default plan, or auto-enrolled, younger women are investing, even if they do not realize it upon sign up.

These retirement plans become an easy, "out of sight, out of mind" introduction to investing, which lays the foundation for experienced, confident interactions in the future.

"You check the box at the fair or career whatever, and then you forget about it. And you know, fortunately it's pulling every month from your paycheck without you having to make that monthly decision to put money back. So, it's like money you never saw. And then you open up that once-every-three-month, quarterly thing and you're like, oh yes, I saved all that money. Didn't even really have to try for it."

Female Investor



Current views of communications

The disconnect between women and financial services firms is evident in advertising – where, like in financial services offices, women aren't seeing "anyone like me" – or any advertising at all. For example, financial services advertising is missing from most female-focused publications, while male publications see a plethora. In 2017, financial services companies spent 13 times more advertising banking, investment and retirement products and services in male-skewed magazines than in female magazines.¹⁵

Women notice this discrepancy when they look for communications from financial services firms in their magazines, but don't find it. This lack of advertising can alienate women who feel financial organizations do not prioritize or value female customers.

"I tried to look in my magazines, but frankly there wasn't anything in Better Homes & Gardens, Family Circle. I get Health and Cooking Light. Cooking Light is the only one I found one in after going through a whole bunch, so they're not advertising in those magazines."

Female Investor

For those who do see advertising, some feel they are not represented by gender and age in ads which tend to feature contained older, white men. Women are much more receptive to advertising that shows diverse groups of people rather than only one group.

The engagement challenge

While financial services companies are making strides in building relationships with women, the urgency of this challenge, given the value of the audience, has never been greater.

Women still feel less positive about their financial security than they do about their physical health, self-esteem, and relationships.¹⁶ Financial services firms are not, in many cases, capitalizing on the opportunity to help address this. While women are proactive and reaching out for information as frequently as men, 38% of women don't feel retail banks provide them actively with relevant advice or recommendations and fewer than two-thirds of women say their financial providers meet their needs very well (a percent that decreases among younger women).¹⁷

Financial services providers need to meet women where they are, including in the media they consume. It's important to remember that gender-based communications are not sufficient since women are not looking to be talked to "as women", but rather as people. They are a diverse group of humans, and financial services providers need to respond to their diverse needs. Central to this is making the effort to step into women's worlds to better understand their lives and motivations.

"I feel like they treat me as a customer, an individual customer...as a person, rather than oh, you're a 40-something female. I don't want to be a member of a group. I want to be seen as an individual."

Female Investor

"Basically, it all comes down to someone on the other side of the table actually being on the same side of the table. Women tend to be very pragmatic and just want authenticity...someone to understand them and someone to listen to them and hear them, as opposed to coming to the conversation with predetermined beliefs and judgments."

Barbara Glasser, Independent Financial Services Marketing Consultant

In marketing, more inclusive strategies (representation from many demographic groups) and those featuring emotional benefits (versus rational) can help resonate with a wider audience. It's important to remember, though, that this is not just all about marketing. When engaging women, financial services providers must walk the talk—the customer experience must match the brand promise.



Winning Over Women

Get to know her as a person

Women are seeking relationships with financial providers, and relationships involve trust. To build that trust, financial services providers need more foundational research to give them more of a fundamental understanding of their female consumers and what they can do to help them within the different stages of their financial lives. Building real, empathic connections from the beginning can be the start of a truly loyal, long-term relationship.

Step into her world – and the worlds of younger, more diverse audiences

Women are not a homogeneous group, and they are not seeking “pink-washed” communications. They are seeking experiences that feel inclusive, that give them comfort from the start – making them feel like the financial services provider is “a place for me”. Financial services firms need to better understand their increasingly diverse customer base and how to best reach these audiences with authentic communications and experiences to build connections.

Listen - and reflect what you hear

Fear-based communications, as well as those seen as condescending, patronizing or aggressive, are not effective at motivating female customers. Instead, financial services firms need to take time to truly connect – and do so beyond marketing. Learning from other brands that have expertise in relating to and influencing women, ensuring the experience provided matches the customers’ needs and the firm’s promise to deliver are all moves in the right direction.

Above all, engaging with women is about enabling them to take ownership and control of their financial lives. In doing so, financial services firms will build long-lasting relationships with customers who naturally and frequently share recommendations with others – thus turning a previously self-defeating cycle into one of empowerment, loyalty, and success.

Methodology

Kantar's Winning Over Women Program is a global Kantar initiative that utilizes fresh survey research and Kantar owned data assets. Studies have been conducted in the UK, Australia and now the US. The foundation of the US program is built upon three primary research projects: The Kantar TNS Survey on Financial Services, Kantar TNS Qualitative Focus Groups with Women, and Kantar TNS In-Depth Interviews with key members of the financial services community. All research was conducted between August and November of 2018.

Kantar TNS Survey on Financial Services

Kantar TNS utilized its Express Online tool, administered by our Lightspeed Research team, to survey a nationally representative sample of 2,500 adults in the US regarding their attitudes and experiences with financial services providers. Express Online is a weekly interactive omnibus study that takes advantage of the 1.3 million pre-recruited online households that are part of the MySurvey Panel. The sample is representative of US Census for individuals 18 and older and is an efficient and cost-effective way to deliver actionable insights to our clients.

Kantar TNS Focus Groups with Women

The Kantar TNS Qualitative Team conducted two focus groups with female investors to discuss their attitudes and behaviors toward financial services providers. The groups were segmented according to whether women had described themselves as confident or less confident in their dealings with financial services providers.

Kantar TNS In-Depth Interviews with the Financial Services Community

The Kantar TNS Qualitative Team conducted 11 one-on-one, in-depth interviews with key members of the financial services community. The objective of the interviews was to understand the attitudes, programs, marketing initiatives and value firms place on women as customers and potential customers.

Kantar Owned Data Assets

Other data sources utilized in the study include:
Kantar Consulting 2018 US Monitor Study
Kantar Media Advertising Spend Data for Financial Services Firms
Kantar Millward Brown Link Copy Testing Norms for Financial Services
Kantar TNS CX+ US Survey on Retail Banking conducted in Q1 2018
Kantar TNS Multi-Client Consumer Payment Strategies Program
Lightspeed Research 2018 Digital Wallets & Mobile Payments Study

Sources

1. Source: US Census Bureau, 2016
2. Source: US Census Bureau, 2016
3. Source: Financial Facts for Women's History Month - Shurwest Financial Group shurwest.com/2017/03/14/financial-facts-womens-history-month/
4. Source: US Census Bureau, 2016 American Community Survey
5. Source: US Department of Education, 2016
6. Source: US Census Bureau, 2016 American Community Survey
7. Source: US Census Bureau, 2017
8. Source: US Department of Labor, American Time Use Survey 2017
9. Source: Kantar CX+ Study 2018
10. Source: Kantar TNS US Omnibus
11. Source: Kantar TNS US Omnibus
12. Source: Kantar Consulting 2018 US MONITOR
13. Source: Kantar TNS US Omnibus
14. Source: Kantar TNS Omnibus
15. Source: Kantar Media
16. Source: Kantar Consulting 2017 US MONITOR (Q4)
17. Source: KTNS Omnibus and Kantar CX+ 2018

About Kantar

Kantar is the world's leading data, insight and consultancy company. We know more about how people live, feel, shop, vote, watch and post worldwide than any other company. Working across the entire sales and marketing lifecycle, we help brands uncover growth in an extraordinary world. Kantar is part of WPP and its services are employed by over half of the Fortune 500 companies in 100 countries.

www.kantar.com

For more information about the study or how Kantar can help your organization, please contact:

Dolly DeNyse

dolly.denyse@kantar.com

+1 617 912 2831



KANTAR