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## "Buying Power of Women"

### Woman's Role in Shaping the Economy and the Business World

By Kimberly Blaker

Women today account for or influence approximately 80 percent of all buying decisions,<sup>1</sup> according to numerous studies and reports; that's a lot of buying power, and businesses are beginning to take heed.

The total earnings of women today are in excess of \$1 trillion dollars, and a large segment, sixty-four percent of all working women, contributed to more than half their family income.<sup>2</sup> In 2002, women wielded a whopping \$6 trillion dollars in buying power.<sup>3</sup>

These statistics reveal the crucial role women play in keeping the economy afloat—in good times and in bad.

Unfortunately, many businesses and corporations fail to see the power this segment possesses. Most women can remember a time, if not many, in the not so distant past in which their gender had a negative impact on the service and attention they

received. On other occasions, women have been taken advantage of because of their lack of knowledge in certain industries.

Women, however, have become increasingly educated consumers, and businesses that don't recognize this are learning the hard way. Many women, offended by these biases, walk away from a purchase, and go elsewhere, demanding to be treated with respect.

Advertising and marketing specialists are also catching on. Advertising that stereotype's women and marketing that's geared specifically to male audiences doesn't set well in the minds of women today. Stereotyping and the absence of recognizing women as potential consumers for traditionally male products is off target, offensive, and fails to give these large consumers the information they need.

### **House and home**

Today, women account for 85% of spending on household goods and personal items, according to Geraldine Laybourne, chairperson and CEO of Oxygen Media, as reported by Accutips.com.<sup>4</sup> Women not only shop for themselves, but they do the bulk of the shopping for the family.

Women also take more interest in shopping for household items especially nonessentials, and they control most spending on décor, linens, and kitchen gadgets, as well as furniture, cabinetry, carpeting, lighting, and more.

Furthermore, women play a major role in the purchase of real estate, the biggest investment most families make. According to the National Association of Realtors, nearly 57% percent of single women living alone in 1997 were homeowners, and in 2000, single women accounted for 18% of the year's homebuyers.<sup>5</sup>

Married women also markedly influence real estate decisions. Although, according to David Powers Homes of Houston, Texas, couples ultimately agree on the purchase together, research conducted by the company found that women make almost 80 percent of the home-buying decisions in the company’s \$180,000 to \$500,000 price range.

Also of interest, men and women each look for certain features when buying a home. Women are most concerned with floor plan and design and how these factors will accommodate their lifestyle. Specific features of importance to women include large closets, kitchen space and design, space needs, and overall comfort. Men focus mainly on technology, energy-efficiency, and garage functionality.<sup>6</sup>

Probably one of the most under recognized areas of women’s buying power is in the tool and home improvement industry. With the recent surge in do-it-yourself remodeling, women are fast becoming one of the big spenders in tool departments and home improvement aisles. Kimberly Stevens, staff reporter for The Wall Street Journal explains, “We're talking buzz saws, routers and power sanders.”

The growth of female tool shoppers isn’t minimal, Stevens points out. A recent survey by the Home Improvement Research Institute, found that women are outpacing men in their involvement in do-it-yourself projects. According to a female industrial designer at Porter-Cable of Jackson, Tennessee, as reported by Daily Gist, “Women are using these tools on a regular basis.”<sup>7</sup>

Also, increasing female tool sales has been the large increase in women working in the construction field, which has nearly doubled in the last 15 years.<sup>8</sup>

## **Health care**

Women’s voices are gaining prominence in the healthcare industry as well, making at least two-thirds of the healthcare decisions in U.S. households, according to Amy Ertel Bellcourt, vice president of corporate communications for MVP Health Plan. Recognizing this, healthcare systems are paying special attention by improving maternity wards and focusing a portion of their marketing on services affecting women.<sup>9</sup>

### **Travel**

Women are equally important to the travel market making seventy percent of all travel decisions. In addition to women being the larger clientele of adventure travel, business travel has seen marked growth by females who are anticipated to take half of all business travel in 2002.<sup>10</sup>

Because over 75% of women traveling on business are college educated and more able than men to articulate their needs, participate in more leisure activities while traveling on business, and are much more likely to order room service while traveling alone, they have a great impact on this industry.<sup>11</sup>

### **Investment**

Women are also the holders of more than half of all stocks according to Magazine Publishers of America. Although they are not yet making as many household investment decisions on their own as men, who make 50% of such decisions on their own, women still account for approximately 32% of household investment decisions according to a study conducted by the Investment Company Institute, a mutual-fund industry trade group.<sup>12</sup>

### **Automotive**

Another area in which women play a crucial role is the automotive industry. “Women,” according to a report by the National Institute of Automotive Service Excellence, “are not only becoming more influential in deciding what car to buy, they are also taking over the traditionally male-dominated responsibility of maintenance and repair,” making up between 65 and 80 percent of auto repair and service shop customers.<sup>13</sup>

While women are responsible for almost half of new car sales and slightly over half of used-car sales, according to Art Spinella, of CNW Research, an automotive marketing research firm,<sup>14</sup> women influence 80% of all sales, and 95% of women have the power to “veto” an automobile purchase, according to Ford Motor Marketing.<sup>15</sup>

What women want from this industry, experts say, is not to be treated differently, but with respect. Because “women ask more questions, inquire about details, and are more willing to look under the hood, or check out parts," says Diane Hohman, an automotive aftermarket consultant in Herndon, Virginia,<sup>16</sup> they are beginning to get the respect in this market that they deserve.

### **Sports and entertainment**

Women are not only spending increasing amounts on clothing, but on entertainment and electronics, as well says Magazine Publishers of America.

Furthermore, since 1991, women have spent more than men on sports shoes and sports apparel. In 1997, approximately 40% of high school and NCAA athletes were female.<sup>17</sup> Women also account for between 38 and 72% of the fans attending various sporting events including basketball, football, hockey games, auto racing, tennis, and figure skating.

What this all boils down to, is two-fold; that women are America’s biggest consumers, which not only keeps the economy from becoming stagnant during times of stability, it keeps the economy from collapsing during recession. Furthermore, it means that women are gaining the upper hand in the way the business industry treats them, demanding not preferential treatment, but equal treatment and respect.

The End

**Alternative ending:**

What this all boils down to is two-fold. With women being America’s biggest consumers, making 85% of all personal and household good purchases; influencing 80% of home buying decisions; purchasing a substantial amount of tools and home improvement products; making two-thirds of all health care decisions; handling 65% to 80% of all automotive repair and service visits; influencing 80% of car sales with veto power 95% of the time; outspending men on sports shoes and apparel; making up 38% to 72% of the fans at sporting events; and making 80% of *all* buying decisions, they not only keep the economy from becoming stagnant during times of stability, women also keep the economy from collapsing during recession.

Furthermore, it means that women are gaining the upper hand in the way the business industry treats them, demanding not preferential treatment, but equal treatment and respect.

PULL QUOTE: Advertising that stereotype’s women and marketing that’s geared specifically to male audiences doesn’t set well in the minds of women today.

PULL QUOTE: In addition to women being the larger clientele of adventure travel, business travel has seen marked growth by females who are anticipated to take half of all business travel in 2002.

SIDEBAR IDEAS OR WAYS TO LOCALIZE: Include a quote or statistic from local industry on women’s buying power. List some area businesses that have changed their approach to meet the needs of women buyers.

Kimberly Blaker of New Boston, Michigan writes for parenting and women's magazines across the United States and other publications.

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Other data:

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<sup>1</sup> Marybeth Bond of CBS Evening Magazine <http://marybethbond.com/mbstats.shtml>

<sup>2</sup> American City Business Journals, Inc.  
<http://washington.bizjournals.com/washington/stories/1998/06/15/smallb3.html>

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- <sup>3</sup> EBSCOhost. (2002). Marketing messages for women fall short.  
[http://www.ursuline.edu/acadaff/ucap/Course\\_Resources/BU425/marketingmessages.pdf](http://www.ursuline.edu/acadaff/ucap/Course_Resources/BU425/marketingmessages.pdf)
- <sup>4</sup> “Market Focus/Trends,” Accutips.com, according to Geraldine Laybourne, Oxygen Media  
[http://accutips.com/docs/market\\_focus/targeting\\_demographic.shtml](http://accutips.com/docs/market_focus/targeting_demographic.shtml)
- <sup>5</sup> <http://homes4sale-florida.com/newsletter.htm>
- <sup>6</sup> <http://houston.bizjournals.com/houston/stories/2002/01/28/focus7.html>
- <sup>7</sup> <http://homes.wsj.com/homeimprove/homeimprove/20000830-stevens.html>
- <sup>8</sup> <http://homes.wsj.com/homeimprove/homeimprove/20000830-stevens.html>
- <sup>9</sup> <http://albany.bizjournals.com/albany/stories/1998/09/07/focus3.html>
- <sup>10</sup> (USA Today/Money Section 6/99)
- <sup>11</sup> Marybeth Bond of CBS Evening Magazine <http://marybethbond.com/mbstats.shtml>
- <sup>12</sup> <http://www.onegroup.com/ReadingRoom/InvestmentBasics/importance.asp>
- <sup>13</sup> [http://www.asecert.org/whatsnew/womencalltheshots\\_1.htm](http://www.asecert.org/whatsnew/womencalltheshots_1.htm)
- <sup>14</sup> [http://www.asecert.org/whatsnew/womencalltheshots\\_1.htm](http://www.asecert.org/whatsnew/womencalltheshots_1.htm)
- <sup>15</sup> [http://www.asecert.org/whatsnew/womencalltheshots\\_1.htm](http://www.asecert.org/whatsnew/womencalltheshots_1.htm)
- <sup>16</sup> [http://www.asecert.org/whatsnew/womencalltheshots\\_1.htm](http://www.asecert.org/whatsnew/womencalltheshots_1.htm)
- <sup>17</sup> Sporting Goods Manufacturers Association, "A Progress Report on Women in Sports," 1998