

THE HOT BUTTON

Underserved Women Clients

It's an age-old conversation: studies show that many women don't feel respected or taken seriously by the financial services industry. Yet more firms than ever before see women as their primary target market as they become the main beneficiaries of a trillion-dollar wealth transfer. So what gives? *FORUM* consulted Paulette Filion, a financial services marketing expert at StrategyMarketing.ca, and Barbara Stewart, CFA at Toronto-based Cumberland Private Wealth Management Inc., and author of several in-depth research reports about women and their personal finances.

Women wear many hats

Paulette: Women are business and community leaders. They are government representatives, business owners, professionals, executives, mothers, grandmothers, and caregivers. Some are in long-term relationships, married or otherwise, but more and more are divorced and single, as well as widowed. But regardless of their marital status or work choices, women ought to be treated as important providers to their families, their community and the business world, and they appreciate professional services that reflect their contributions.

Barbara: I don't think any of my clients would define themselves by the term widow even when or if their husband has passed away. They don't depend on men, and they seek out firms like mine that offer highly sophisticated investment advice. The new target market is the financially confident woman. She might be single, divorced, widowed or happily married. Regardless of her status, she is more financially literate than she has ever been. She is definitely



Paulette Filion



Barbara Stewart

not the caretaker of the money until some man shows up to help her out. She knows how to read a balance sheet and she definitely knows how to make money.

How financial marketing patronizes women

Paulette: Many marketing executives and creative directors at agencies who produce these campaigns are men. To hit the right note in any of these campaigns, women must influence the decision making. Up to now, some financial organizations that have marketed to women did so by attempting to trigger a fear of the future. These firms believed that fear would drive women to seek the services they offered. But nothing could be further from the truth. Women do not respond to fear mongering. Much of the communications aimed at women emphasize that because women have earned and saved less and take less risk when investing, they'll end up living in poverty in retirement and eating cat food. Women want partners who will encourage them and offer a positive experience. This more constructive approach shows the firm understands these women, accepts them as they are and is willing to include them as important parts of their own success.

Barbara: One man I interviewed in the advertising business told me there's something offensive about many industry and media initiatives that target women. He says that too
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often their approach is, "Hey, let's have a spa day and talk finance!" Women don't need to be lured by facials in order to talk about financials. At the very least, understand that certain technologies may be more of a game changer for women than for men — in particular social media because women love to share.

Advisor/client disconnect

Paulette: Advisors see the world from their own perspective. They think, "I showed up on time and looked professional. My presentation was well organized and professionally produced." They believe they did a good job. Meanwhile, a good job to a woman is listening to her needs and responding as if you really heard her concerns. It means getting to know her as a person, not just as an account. It means showing respect for her point of view, rather than trying to say her point of view is wrong. It means seeing her as a partner with something important to say. It means serving her needs, not the needs of clients like your own. A good job has only one perspective — that of the client sitting across from you.

Barbara: When it comes to women and money, actions speak louder than words. Women may tell advisors that they "should learn more" or that they "aren't confident investing," but their behaviour often indicates that they are already highly knowledgeable and capable of dealing with their finances. Women tend to be self-deprecating by nature so advisors need to focus their questions on women's actual investing behaviours rather than how they describe themselves. This helps advisors to uncover their real needs. I have also found out that women prefer to invest in causes and concerns that truly matter to them. Once you take the time to understand their unique interests, you will do a better job and you are more likely to be rewarded.

Male or female advisor?

Barbara: I have heard women make the request for a female advisor a couple of times. It certainly doesn't seem to be a common preference — at least not an articulated one. I think people are looking for good advisors and gender isn't going to act as a useful filter.

Paulette: Women show no preference for male or female advisors. They want someone who understands them and respects them as clients. If there was a preponderance of great advisors who met those needs, maybe then we might see a preference between men and women. But at this stage, women want a good advisor, period.