

Gender Bias

When dealing with men and women differently in business pays off.

Much has been made of the differences between the sexes but does gender really make any difference to your business?

Retail is probably the most marked example of where gender differences can have an impact. For a start, it's estimated that women make 80 per cent of the household purchasing decisions.

Most surveys (and no doubt your own home research) will tell you that men and women shop differently. Typically, women are researchers and men are lineal. That is, women will review what is available and then circle back to their preferred choice. Men find what suits them and as long as it is within certain value and aesthetic boundaries, will make the purchase.

So how does that impact on retailers? The conversion rates you expect from stores that appeal to women are lower than retailers catering to men. The time taken to achieve a sale is also longer for female focused retailers.

Social trends, such as the rise of the financially secure female, also have an impact.

"I don't want something I need; I want something I want," the femme fatale in a recent Hollywood movie said. Women aren't waiting for the men in their lives to buy them what they want and increasingly, advertisements for luxury products focus on the theme of treating yourself, rather than being treated.

The Generation Y consumer is a favourite with marketers as they are avid consumers of the media (and as a result, easier to market to) and have a willingness to spend. However, it is female consumers over the age of 40, particularly divorced women, who have the spending power.

According to Splash Marketing, a research and marketing group specialising in the female consumer, baby boomer females are the nation's biggest spenders and more than 70 per cent of women will research a major purchase online before shopping (makes you want to quickly check your company's website doesn't it?).

While we know that women make most of the purchasing decisions and increasingly have access to wealth, the question remains, should a business do anything differently to capture part of the growing empowered

female consumer market? The short answer is yes but only if it makes sense to focus your resources on this market.

The second question is, is there a risk that appealing to the female consumer will alienate your male customers? Absolutely not as long as you don't make major changes or do anything silly by using stereotypes like changing your colour scheme to pink. *Continued page 2...*

Relief for employers who fall behind on super guarantee

Employers who fall behind with their quarterly superannuation guarantee (SG) obligations are liable for the SG charge. The SG charge generally includes the amount of the late contribution even where the employer has paid the amount into a superannuation fund, albeit late. In other words, employers are often paying their SG obligations twice under this penalty system.

The Government has announced that it will amend how the rules work to ensure that employers do not pay the contribution twice. Other penalties and interest will still apply.

However, this change does not come into effect until it has been legislated. Until then, the only option is to work closely with the Tax Office to try and limit the impact of the SG charge.

Quote of the month

"However beautiful the strategy, you should occasionally look at the results."

Winston Churchill

Gender Bias continued

Just because you're meeting the expectations of one market doesn't mean that you are ignoring the other. Often it is about balance and understanding who your target market is and how you can best cater to their needs. Take the example of Black & Decker who are successfully catering to a growing female audience for power tools. A Millward Brown survey shows that nearly a quarter of all women will buy a power tool in their lifetime. Of those, 28 per cent will buy the power tool for themselves with drills the most commonly purchased item. Rather than a major brand shift, Black & Decker use popular DIY television programs and sponsorship of "ladies nights" at Bunnings Hardware to expose their products to female consumers. It also helps that their product range has capitalised on the growth of the home improvement market.

In general:

- Women are more communicative than men, slightly more emotive, and process information differently. They tend to be more intuitive as they pick up on a greater number of sensory perceptors. Facts and figures alone won't do it.
- Women will be more attracted to images with people. A picture of a car will appeal to men; a picture of a car with people will appeal to women – it's about the lifestyle not the metal.
- Women generally want to engage. That doesn't mean they want you to continually contact them and have a deep relationship with your company, but when they do engage with your business, they want to feel like your staff are listening.

Understanding the needs of your target market is the key to any marketing strategy regardless of gender. If you're feeling a bit lost about who to focus on:

- Do a brand assessment – how does your business really come across to consumers? That's everything from the first impression of your website, your marketing, through to how staff react to enquiries over the phone or customers coming through the door.
- Reassess your target market and growth opportunities – it might not be exactly the same customer base you are dealing with now.
- Given this information, take a look at how your business can make life better for your target market by catering to their needs and lifestyle.
- Now look at all of the ways your company interacts with your customers and potential customers. Make sure what your company is saying and doing is in line with what your target market wants and needs to hear.

Remember it's not all about how your marketing materials look, often it's the people inside your business that make the difference between whether a customer wants to engage or not. The marketing might get them in the door but it is what happens from that point forward that determines the purchasing decisions and the value of the customer relationship over time. If your business is looking to focus on women, engagement is crucial.

Going Green: carbon sinks attract tax deductions

Last year, the carbon market was worth \$10 billion. It is expected to almost triple to \$25 to \$30 billion this year. Studies indicate that the biggest greenhouse polluters are fossil fuel power stations, accounting for more than one third of all emissions. Transport, cars and trucks make up another 14 per cent.

Carbon trading is big business and an industry that the government is encouraging.

The Government has announced that it will support carbon sink forest operators by allowing them to claim a tax deduction for the cost of establishing trees in a qualifying carbon sink forest.

For a five year period from 1 July 2007, an immediate deduction will be allowed for costs incurred in establishing trees in a qualifying carbon sink forest. From 2012-13 the immediate deduction will be replaced with a write-off under the general horticultural plant provisions.

Carbon sink forests are established primarily for the purpose of sequestering carbon from the atmosphere i.e. they cannot be established for the purpose of felling the trees at a later stage.

The deduction for carbon sink forests can also be claimed if another business runs alongside the establishment of the forest. For example, a company acquires land principally for carbon sequestration. The landholder also runs a tourism business, taking advantage of the spectacular location to run a bed and breakfast and accompanying hiking tours. The hiking routes run through the carbon sink forest to the edge of the property which takes in the panoramic views. The company will be entitled to deductions for expenditure on establishing the carbon sink forest, as the primary and principal purpose is one of carbon sequestration and the secondary purpose of tourism is not an excluded purpose.