

WOMEN AS FINANCIAL DECISION MAKER: ARE THEY BEING CONSIDERED EQUALLY WHILE ADVERTISING FOR FINANCIAL SERVICES?

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ABSTRACT

Advertisers who wish to communicate effectively with male and female audiences, are facing problems related with one of the most widely used demographic segmentation variable i.e. 'Gender or sex'. According to Kotler and Armstrong; 1991, Over the years, use of Gender segmentation has grown after marketers have recognised women as lucrative market segment; and therefore marketer have become more sensitive to women's attitude and needs. As per Plank et. al., (1994), it is found out that the involvement of the female segment with financial decision in the household has been visible recently. Hence, it is critical to understand the key differences between males and females about their understanding towards financial services and decision making. However, despite the dramatic changes in the financial services environment that has occurred over the past decade, there is the need for researchers to think broadly about researchable issues with respect to marketing strategies and concepts that are contextualized in the areas of financial services. The financial service industry is as important for the Indian economy as a backbone in the human body. It is in many ways far easier, the practice of advertising and selling consumer goods like cars, electronics, or other kinds of fast movable consumer goods or services than the advertising and selling financial products and services.¹ Given that consumers have become more sensitive to the issue of financial well-being and the fact that financial services advertising has become a more common consumer information resource for financial management behaviour. This study is going to look the new perspective in front of financial service provider companies that how they communicate with women customers as potential investors through advertising. However, it is also a big challenge for financial service advertisers to design the content differently for women investors.

KEYWORDS: *Women Empowerment, Financial Service Advertising, Financial Decision Making.*

Introduction

According to **(Anderson, Zhan, & Scott, 2004)**, financial services are the fastest growing part of international trade and services and also for the lowest income countries which account for the increasing share of gross domestic product. However, as financial services in general have enjoyed growth markets, the financial services market has been characterized as more competitive and financial service marketers (Stevenson & Plath, 2006) have had to take a harsh look at their industry (Soureli, Lewis, & Karantinou, 2008). However, despite the dramatic changes in the financial services environment that has occurred

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over the past decade, there is the need for researchers to think broadly about researchable issues with respect to marketing strategies and concepts that are contextualized in the areas of financial services (Rootman, Tait, & Bosch, 2008).

The financial service industry is as important for the Indian economy as a backbone in the human body. To see the importance of this industry, the government has recently taken steps for financial inclusion such as the 'Jan Dhan' Scheme, issuing new licenses to banks, payments banks, small banks etc.

It is in many ways far easier, the practice of advertising and selling consumer packaged goods like cars, electronics, or other kinds of goods or services than the advertising and selling financial products and services.ⁱⁱ Given that consumers have become more sensitive to the issue of financial well-being and the fact that financial services advertising has become a more common consumer information resource for financial management behaviour (Bone, 2008) (Warren, 2008), it is essential to provide strategic guidance to what types of advertising practices are appropriate or even desirable for consumers' financial decision making procedures.

Financial Service Industry: India

Overall economic development and growth of any country basically depends upon its financial system which includes sub-systems like financial markets, financial institutions and financial instruments. Financial system facilitates the flow of the fund to balance the market. The success of the financial system basically depends upon the variety and quality of services provided by the institutions established in the country.

An innovative, competitive and expanding financial services industry in any country plays a vital role in its smooth functioning and economic development. Indian financial services sector has seen a stable growth curve over the years due to the strong fundamental, accelerating personal incomes, corporate restructuring to create synergy, liberalisation of financial services and the growth of consumerism and credit-oriented environment, leading to the increasing demand for financial products for savings and security including retail loans for the consumers like home, education etc., as well as for insurance and pension products to cater the future needs. The ascending demand for financial products and services offers promising investment prospects for the customers.

According to a research conducted by CSO which is shown in Graph:1, Finance, insurance, real estate and business plays a vital role in the growth of GDP and reflect its major contribution in GDP of India. As per data given from the year 2010 to 2014, financial sector is providing higher growth than rest of the economy like in year 2010-2011 it is contributing 10 per cent growth in comparison to 8.7 per cent growth of rest of the economy, in year 2011-2012 and 2012-2013, it is showing the same 11.3 percent as compare to 5.7 percent growth, in the year 2013-2014 it is showing 10 percent in comparison to 3 percent growth of rest of the economy.

By the rapid changes in the environment, in which financial service firms operated, many organizations forced to develop a much more proactive approach to their marketing efforts. Due to deregulation and technical change, the financial service sector, occurred the diversity and speed of change which have reduced the obstacles between different institutional or strategic groups resulting in a redefinition of the market place.

The marketing of financial services is in many ways far more complicated than the selling of other consumer goods and services. The practice of advertising, promoting, and selling financial products and services is an unparalleled and highly specialized branch of marketing. Increasing competition in this particular sector is pressing companies to improve overall activities such as marketing and communication. The Financial sector is not like other sectors that after purchasing product there may be no relationship as buyer and seller. In the financial sector, customers have a long-term relationship with their service provider.

Banks and other financial institution offer a variety of financial services to personal and business customers. Large number of customers needs some of these services, such as bank account. But many other financial services, such as insurance, loan, debit card, credit card, have to be brought to the attention of the perspective customers. Not every customer is targeted for every service, but specifically for specific. Financial institutions need an understanding of the process of marketing, market segmentation, target markets and the needs of different types of customers; branch market programmes; what similar services competitors are offering.

Financial Service Advertising

It is a far away difficult to present or demonstrate a financial product or service than other goods and services which are tangible, due its high degree of intangibility, it is complex to create or maintain a positive brand image in the mind of consumers.

According to Lovelock's theory there are four categories of financial services, in this intangible service performance action that is performed on consumers' financial assets; he may not see "physical money" but they experience a service delivered during transactions to their financial assets. At this point when the financial service is elusive as compare to other services like salon, restaurant, transportation, etc., it makes financial services more intangible. Sometime, when consumer wants to withdraw cash, i.e. to convert intangible financial assets in tangible financial assets and for this he may visit a bank that is a tangible physical outlet, for this conversion financial services may spill over into the 'possession processing' (i.e. physical actions by front line staff transforming an intangible asset to physical form) or 'mental-stimulus processing' (i.e. non-physical actions by front line staff directed at a person's mind).

But, Lovelock (1983) told that the main service act should be self confined to one of the four categories. As a whole, financial services are believed to be grouped under the 'information-processing' service category, that is, non-physical actions directed at consumers' intangible financial assets.

Financial services generally contain the characteristics of highly leveled intangibility, for this consumer has to make more efforts to evaluate the intangible aspects in comparison with other service. Harrison (2000) explained that complexity of a financial product relates to the relative ease with which consumers are able to understand a financial product, and intangibility of financial services may lead to difficulties in mentally conceptualising a financial product, affect their search for information and evaluation of financial services. Thus, from the consumers' point of view, different types of financial services are perceived with varying levels of complexity because of intangibility. As per McDougall and Snetsinger (1990), among four different types of financial products, respondents rated life insurance to be the most intangible, followed by mortgage, car loan and savings account. This finding indicates that the higher the level of intangibility, the more complex a financial product is in the eyes of consumers. For instance, complex financial products (like investments and insurance) are likely to be perceived as more complex compared to simple financial products (e.g. credit cards and current accounts). The study by McDougall and Snetsinger (1990) also reported that respondents who have never taken a car loan or obtained a mortgage tend to perceive these products to be more intangible compared to those who had previous experience with these financial services.

Zeithaml's (1981) continuum of the degree of product evaluations provides an understanding of the relative ease of evaluating different products and services. Products are placed on a continuum ranging from "easy to evaluate" at the left end of the continuum to 'difficult to evaluate' at the other end of the continuum. The continuum illustrates that services are generally more difficult to evaluate, with some services perceived to be more complex than others.

Research has also confirmed a public concern over consumer vulnerability and product harmfulness in the financial marketplace and has identified potential explanations as to why consumers fail to adequately save and invest. (Huhmann & McQuitty, 2009) ; (Kozup & Hogarth, 2008); (Wiener & Doescher, 2008).

Some Queries That can be Put Forward in this Context are as Follows

- How to protect consumers and investors from financial abuse?
- What form of advertising should be used for highly hazardous and sensitive sector like financial services?
- What sort of advertising strategies should be used to Dispensing Product Information regarding financial services?
- It is stated, there should be transparency, what good is transparency if investors do not understand the information that they are passed on?
- How to design advertisements that create financial literacy in general investor?
- Do in combination of advertising external factors as well affect the consumers' decision making of?

(Huhmann & Bhattacharyya, 2005) also examined how information content in financial service advertisements specifically in mutual fund advertisements is presented to investors and determined the degree to which mutual fund advertisements contribute to optimal investment decisions. Advertising

information can be classified into (1) risk–return trade-off information, (2) information pertinent to agency issues and (3) costs of operations.

Gender Identity in Consumer Behavior

Sometimes, gender identity perceived as an individual's psychological sex which has been defined as the "fundamental, existential sense of one's maleness or femaleness" (Since 1984 p. 83). Since gender is produced from culture and similarly its identity also rooted in cultural understanding of being masculine or feminine (Firat 1991;Lerner 1986). Since long time one theory has been adopted that gender and sex were thought to be inseparable hence, men were masculine while women were considered feminine. However, as per the consumer behavior researchers, it was identified that long ago some men were more feminine than masculine while some women were more masculine than feminine. In this current era of modernization, separation of gender from sex is even more noticeable.

According to Hofstede's theory of culture there are two kinds of societies in the population like feminine societies and Masculine societies and each society has different characteristics.

According to him Feminine societies has characteristics like:

- Smaller gender culture gap
- More equal job and education opportunity
- Larger share of women in professional and technical jobs
- Socialization towards nontraditional gender roles
- Women describes themselves as more competitive than men do
- Gender stereotype rooted in universal biological differences
- Characteristics freely attributed to one or the other gender
- Women describes themselves in their own terms
- Men allowed to gentle, feminine, and weak
- Men claim suppressing joy and sadness
- Women' s liberation means that men and women should take equal share both at home and at work

According to Hofstede Masculine societies has characteristics like:

- Large gender culture gap
- Less equal job and education opportunity
- Smaller share of women in professional and technical jobs
- Socialization towards traditional gender roles
- Men describes themselves as more competitive than women do
- Gender stereotypes country specific
- Attribution of characteristics less easily differentiated
- Women describe themselves in same terms as men
- Women should be gentle and feminine; nobody should be weak
- Men claim showing joy and sadness
- Women's liberation means that women should be admitted to positions hitherto occupied only by men

Key Difference Between Feminine And Masculine Societies

In order to advance our understanding of the difficulties that advertisers face in communicating with male and female audiences, A study documents the differences which exist in the financial service consumption patterns between men and women. A range of factors which might explain the variations in consumer behavior are considered, namely:

- the gender schema and financial services,
- changes in household relations and household form,
- economic activity rates,
- sexual discrimination, and
- the advertising strategies of financial institutions.

The study considers ways in which financial institutions might market themselves more effectively to women.

Women Empowerment

Overall progress of a country depends upon human resources of the country, women play important role as they constitute half of the population. It is shown in the Graph: 2, Global population

percent in three time period i.e. 1970, 2015 and 2060. More recently, evidence revealing the female's involvement with financial decisions in the household has been uncovered (e.g. Plank et al., 1994).

It is shown in Graph :3, a World Bank study conducted in India (2017), to measure Male and Female Literacy rate from the year 1981 to year 2015. The graph is showing the speed of growth in women literacy rate like in year 1981, women literacy rate was 25.68 percent in comparison to men literacy that was 54.84 percent and overall rate of literacy was 40.76 percent. where After a decade in 1991, women literacy rate was 33.73 percent in comparison to men literacy rate 61.64 percent and overall literacy rate was 48.22 percent. In the year 2001, women literacy rate was 47.84 percent in comparison to men literacy that was 73.41 percent and overall rate of literacy was 61.01 percent. After five years, in 2006; women literacy rate was 50.82 percent in comparison to men literacy that was 75.19 percent and overall rate of literacy was 62.75 percent. In the year 2011, women literacy rate was 59.28 percent in comparison to men literacy that was 78.88 percent and overall rate of literacy was 69.3 percent. In the year 2015, where literacy rate of women population was 62.98 percent in comparison to men literacy that was 80.94 percent and overall rate of literacy was 71.96 percent.

The National Sample Survey 66th round year 2009-10 had reported the status of women in employment (non-agricultural sector) is 18.6% which increased in National Sample Survey 68th round year 2011-12 by 19.3% which includes rural and urban areas as 19.9% and 18.7% respectively . According to the National Sample Survey estimation it will reach to 22.28% by 2015.

Women as Financial Decision Maker

Due to cultural constraints or due to lower literacy rate, there is lower participation of Indian women in financial decision making as compared to other countries. According to the report of Lisa Pallavi Barbora of Live Mint But the scenario changed over the past decades that there is manifold development takes place in India, women are taking slower but steady steps in financial decision making.

As per the another survey conducted by DSP BlackRock Mutual Funds, there is about 23% of Indian working women (age group 21- 60) and about 10% of non working Indian women have become the sole decision makers by the year 2015.

As per shown in Graph :4, Economic contribution of women, it is forecasting that if female employment rates match male rates percent than India will beat two major economies of the world i.e., USA and China, and will come at second position after Egypt.

To see the importance of women in economy Government of India initiated various activities, programs, policies and schemes for their development and to increase their contribution to economic development. These initiatives are basically to empower women. Women empowerment campaign not only increased the literacy ratio and employable chunk, but also increased the number of women as a financial decision maker.

Women Empowerment also Supported by the Government With the Initiation of Policies Like

- Encouragement to Female Education in Financial Year Plans
- Free Education to Single women Girl Child
- Reservation in Government Jobs
- Establish of Women Bank (To provide employment)
- Establishment of Special Women Banking Branch (For only Women customer, Running by Women Employees)
- Different financial inclusion policies like Pradhan Mantri Jan Dhan Yojna, Bhamashah Yojna, Special Gold Loan for Women (Use of *Stri Dhan*), Mudra Yojna (For Entrepreneurship development)

Seeds of Change

- Single Women : it includes Unmarried, Widow, Divorcee etc.
- Education and Awareness
- Changing the Mindset
- New policies of Government related with Investment specially for women
- Increasing Chunk of Women Entrepreneurs

Conclusion

The Above data is showing that contribution of women in financial decision making is growing and the growth will remain continue in future. The marketing of financial services is an unparalleled and

highly specialized branch of marketing. The practice of advertising, promoting, and selling financial products and services is in many ways far more challenging than the selling of other goods and services.

The study is looking the new perspective in front of financial service provider companies that how they communicate with women customers as potential investors through advertising. However, it is also a big challenge for financial service advertisers to design the content differently for women investors. They have to change the strategy, they have to change content of communication because till now Financial Investment is considered as Masculine product. Sound growth and development of any economy depends upon the financial sector of its country, Now financial service sector has the big challenge to serve the half of the population.

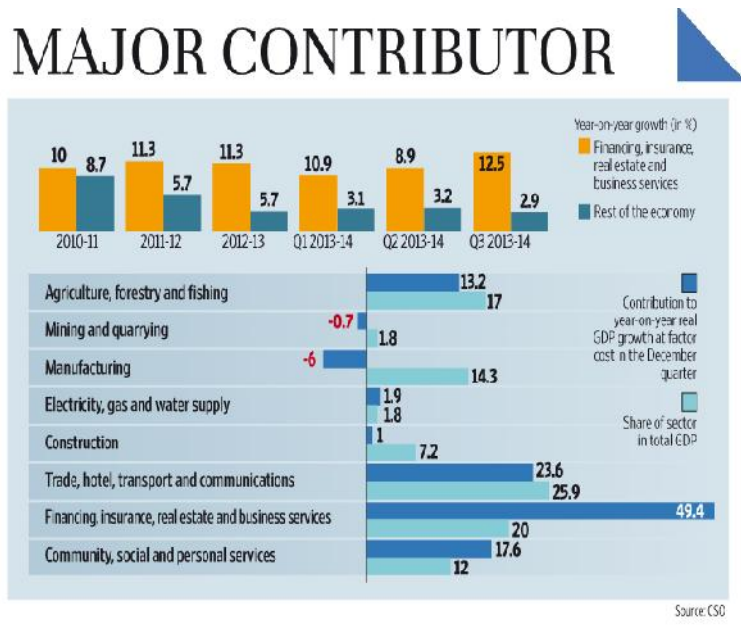
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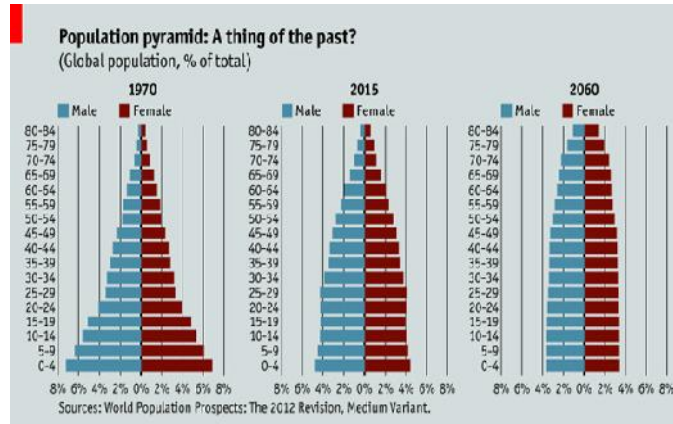
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Graph 1: contribution of Financial sector in GDP of India

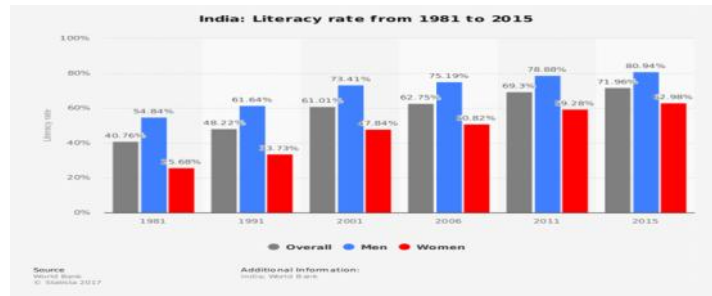


Graph 2: World Population Forecast



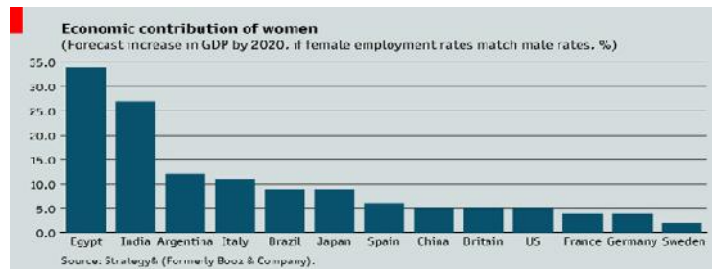
Source: World Population Prospects, 2012

Graph 3: Literacy rate of India from 1981 to 2015



Source : World Bank, 2017

Graph 4: Economic contribution of Women



Source : Strategy&

i retrieved from- <http://marketingfinancialservices.net/Chapter1.htm>, <http://text.123doc.vn/document/1262213-the-challenges-of-marketing-financial-services-pot.htm>
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