

On the Marketing Strategies of Female-oriented Credit Card

Yanni Li , Lili Wang, Yanling Tang, Wang Peiguo, Yiqun Liu, Baichao Gong

School of Foreign Languages, Changchun Institute of Technology, Jilin 130012, China;

^aliyanni2007@163.com

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Abstract. With the popularity of personal credit and the establishment of individual credit system, credit card wins much more cardholder's approval in the global scope through its superiorities of security and convenience. It has become global payment means, which is the substitute for cash gradually. So the competition in this field becomes intense day by day. Therefore, one of the developing strategies of credit card is the segmentation of cardholders and chooses of the best cardholders. Compared with men, women gain more concept of excessive consumption. More and more women have entered into the society and taken on great responsibility, their rising social status and consuming ability enable them to become the community that the consuming market cannot underestimate. Questions which exist in the current China credit card marketing can be found through the analysis of domestic credit card market for female consumers, as well as the elementary theory utilized in the credit card marketing strategy research, including S.T.P and 4Ps marketing theory. By analyzing female consumer market, female consumer psychology and the case of Taixin Bank Rose Card's successful promotion, it can be proved that the potential of female-oriented credit card is tremendous, and suggestions are given on how to effectively promote domestic female-oriented credit card.

1. Introduction

A report by Horizon Research shows that middle-aged career women tend to overdraw their credit limit more often than men, and they also generally have better credit because they pay their bills on time. What is more important is that female consumers love shopping than male. The Guangdong Development Bank (GDB) has been voted by consumers as the most popular brand name in China's bankcard market, in terms of reputation, recognition, user satisfaction, safety, convenience and market competitiveness. GDB issued its first domestic credit card in 1995 and its dedicated card for women came in 2002. With women's rising consuming ability, women should be the apple in financial marketer's eye. Before marriage, women, especially working women, are economically independent with a strong desire to spend; even after marriage they are the ones in charge of daily expenses. Besides their rising consuming power, women's demand for individual consumer credit, and more convenient payment methods also grows. Therefore, the appearance of female-oriented credit card fit in with the market development and aims at targeting different groups with different services. A survey conducted by GDB suggests that 65 percent of local women earning more than 2,500 yuan (US\$308) a month are interested in applying for credit card. This special card is designed not only to win over current credit users, but more importantly, to attract potential consumers. Other banks, such as China Minsheng Banking Corp, Everbright Bank and China Merchants Bank, have taken part in this action and released similar products.

2. Female-oriented Credit Card Consumption

Women have been associated with shopping since the concept began. When it comes to big purchases like cars, homes, finances or technology, the conversations have primarily been directed to men[1]. It seemed to be that men are always the main consumers that marketers target. However, it is clear that women are making a majority of both home and business purchases.

Those who will not consider the women's market as great potential will be left behind in the next five years. Over 85% of retail purchases made in the United States today are made by women, and at least the next 10% that are influenced heavily by women. From the key holder to household purchases, women are now making or influencing purchases of big-ticket items for themselves and their families, including automobiles, personal computers and other electronics. In the corporate world, more and more women have taken the majority purchase decision. In short, women are buying for themselves, buying for their families, and buying for their businesses.

Here come a few suggestions to the online system, especially the card-based electronic payment system. Website means to appeal to consumers, in general, while companies and marketers must learn to develop their knowledge of female customer group. Women can be better defined by their interests and personal identities than by their gender. After all, women do invest, do drive cars, they do buy computers, and they do have hobbies. Therefore rising female consumer power is changing the way of companies' design, make, and market products. The free-spending teens or men 25-50 are not the apple of marketers' eye but women. Owing to their purchasing power and decision-making authority,

Workingwomen ages of 24-54 -- of whom the U.S. has some 55 million -- have emerged as a potent force in the marketplace, changing the way companies design, position, and sell their products. Women earn less money than their counterparts -- 78 cents for every dollar a man gets. But they make more than 80% of buying decisions in all homes.

Furthermore, women shop is different from the way that men's does: Females research more extensively and are less likely to be influenced by ads[2]. Today's women are the chief purchasing agents of the family and marketers have to recognize that.

3. Effective promotion on Chinese female-oriented credit card

There are four types of promotion—advertising, sales promotions, personal selling, and publicity—together constitute a promotion mix that marketers try to manage strategically. The most obvious type of promotion is advertising.

3.1 Advertising

Advertising is a paid form of communicating a message by the use of various media. It is persuasive and designed to influence purchasing behavior or thought pattern. (<http://www.learnthat/define>, 2006, 6) Advertising is intended to influence consumer's affect and cognitions—their evaluations, feelings, knowledge, meanings, beliefs, attitudes, and images concerning product and products. Advertisements may be conveyed by a variety of media- TV, radio, print (magazines, newspaper), billboards, signs, and miscellaneous media such as hot-air balloons or T-shirt decals. In fact, advertising has been characterized as image management—creating and maintaining images and meanings in consumers' minds. The ultimate goal of advertising is to influence consumers' purchase behavior.

3.2 Sales promotions

Sales promotions are direct inducement to the consumer to make a purchase. TV advertising may be more glamorous, but more money is spent on sales promotions in China. The many types of sales promotions—including temporary price reductions through coupons, and multi-pack sales; contests and sweepstakes; trading stamps; trade shows and exhibitions; point- of –purchase display; free samples and premiums and gifts. Consider sales promotion Guangdong Development Bank (GDB)'s offer on its Lady Card. Besides including the usual benefits such as nationwide use, cash overdraws and no need for guarantors, the Lady card comes with a series of services for women such as exclusive Web pages, free information, an online club and various insurance plans. Cardholders can also book air tickets with free insurance, make hotel reservations in discount and even book tickets to music concerts. Red rose card of Taixin Bank (Taiwan) also offers free insurance packages for the card member and her family like an accident insurance cover for self and spouse, a child educational allowance, medical and purchase protection insurance.

3.3 Personal selling

Personal selling involves direct personal interactions between a potential buyer and a salesperson. Personal selling can be a powerful promotion method for at least two reasons. First, the personal

communication with the salesperson may increase consumers' involvement with the product and /or the decision process. Thus, consumer may be more motivated to attend to and comprehend the information the salesperson presents about the product. Second, the interactive communication situation allows salesperson to adapt their sales presentations to fit the informational needs of each potential buyer.

3.4 Publicity

Publicity is any unpaid form of communication about the marketer's company, products, or brand. For instance, descriptions of new products or brands; brand comparisons in trade journals, newspapers, or news magazines; or discussions on radio and TV talk shows provide product information to customers. Sometimes publicity can be more effective than advertising because consumers may not screen out the messages so readily. In addition, publicity communications may be considered more credible because they are not presented by the marketing organization[3]. Publicity is difficult to manage, however, Marketers sometimes stage "media events" in hopes of garnering free publicity.

3.5 The promotion mix

Ideally, marketing managers should develop a coherent overall promotion strategy that integrates the four types of promotions into an effective promotion mix. Major environmental forces in China over the past two decades have changed the balance of marketing effort devoted to the various types of promotions. The share of total promotion amount going to media advertising decreased from 37percent in 1995 to 25 percent in 2003. During the same period expenditures on sales promotions (directed at both consumers and the retail trade) increased from 64 percent to 75 percent.

A controversy continues in marketing about the relative importance of advertising versus sales promotions. As one might expect, most advertising agencies argue that advertising is the best way to create a strong consumer-brand relationship. Other marketers believe sales promotion can also enhance the consumer-brand relationship and has more powerful effects on immediate buying behaviors and eventual brand success. Actually, a long-range trend may be occurring in which advertising is no longer the centerpiece of a company's promotion mix. There is evidence that advertising is having a decreasing influence on consumers' behaviors, due partly to people's increasingly hectic lifestyles and growing pressures on their time. The promotion mix of the future is likely to be more eclectic with many more options, including sporting marketing, direct marketing, and public relations. These promotion types are being developed partly because of the high costs of advertising and partly because of the need to target customers more precisely.

Another factor in advertising's decline is the decrease in consumers' ability to remember advertisement they have seen.

In 1986, 64 percent could remember, unpaid, an ad campaign seen in the previous month. This figure plunged to 48 percent in 1990. Attention to individual advertisements has decreased due to remote controls, the clutter of 30- and 15- second ads during commercial breaks, and consumers' dropping loyalty to favorite brands. Simultaneously, price has become more important as a choice criterion, further increasing the effectiveness of sales promotions, which are often based on price reduction [4].

The process of promotion can be summarized as followed: first consumers must be exposed to the promotion information. Then they must attend to the promotion communication and comprehend its meaning. Finally, the resulting knowledge, meaning, and beliefs about the promotion may be integrated with other knowledge to create brand attitudes and make purchase decisions.

To sum up, the case of Taixin Bank's Rose Card promotion can be taken as an example to further explain the promotion method. Before Taixin Bank joined in the line of documenting group, Taiwan's credit card market is occupied by the Standard Chartered Bank and American's First National City Bank. Under that circumstance all documenting banks regard the overall market as single market management. In view of the rising female consuming power, Taixin Bank forecasts the feminine credit card market will have big development space, therefore will separate the feminine area as Taixin Bank credit card essential target market. In order to mold the rose card brand, it has launched a series of promotion strategies.

Because of a series of remarkably plans, Taixin Bank's rose card successfully blooms in the credit card market and becomes the female credit card's top-grade brand. "The earnest woman is most beautiful" becomes the advertisement word, which is widely quoted by the people and becomes most important brand property of Taixin Bank's rose card. Taixin Bank's has issued 100 million cards in short time of one year and half, and red rose card has become the leader brand of Taiwan female-oriented credit card market.

4. Summary

The appearance of credit card changes the way the world pays, especially the credit card for female consumers which indicates the maturity of the market- market segmentation, recognizing customer groups with varying needs and wants. Marketers especially financial marketers have to know what women need or women's consuming psychology throughout the marketing process. Women are different from men when consuming, they tend to gather enough information, link brand to symbol, focus on service and so on. Therefore, bank marketers must be aware of women as distinctive consuming psychology and behavior, there is no exact general behavior pattern but gender differences in consuming.

The female-oriented credit cards are designed not only to win over current credit users, but more importantly, to attract potential consumers[5]. The current female-oriented credit card market is still in its infancy. Under this circumstance, banks offer customized services to their target customers, who are mainly independent and affluent career women. Banks risk losing customers if they try to appeal to all consumers. It is better to focus on a specific demographic. Though there are some obstacles to the rapid growth of female-oriented credit card currently, the potential of female credit card is tremendous: with the development of new channels and new technologies creating new opportunities, Female-oriented credit card will provide cardholders with choice, confidence, flexibility and security; with the rising of female consuming ability and changes of consumption concept, female-oriented credit card will occupy a portion of market; with the changes of payment pattern, capital around the world will flow much more smoothly and lead to greater economic growth.

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