Meredith PRESENTS

The Gamma Factor

WOMEN AND THE NEW SOCIAL CURRENCY

by *Lisa Finn* and *Lisa Johnson*

The Origins of Gamma

The story of Gamma women as defined in this report begins in the early 2000s, when marketing consultant Lisa Johnson read two news stories describing an emerging social type among preteen and teen girls.

In 2002, *Washington Post* reporter Laura Sessions Stepp used the term "Gamma" to refer to a personality type she observed among preteen girls. The "Gamma" girls she described were neither queen bee "Alphas" nor their "Beta" followers. In many ways, they operated outside the rigid social hierarchy of middle school, following their own ideas about what was important. They were leaders in student groups, established mutually supportive relationships, and tended to be well-liked because they were inclusive—not because they were at the top of the social pecking order.

A *Newsweek* article, "Meet the Gamma Girls," by Susannah Meadows, subsequently identified the same phenomenon in high schools.

In the course of her research for her book *Mind Your X's and Y's* in the mid-2000s, Lisa Johnson began to notice Gamma-like characteristics among the young adult women she was studying. She also observed some of these same characteristics in leaders of companies that were experiencing exponential growth by connecting with young consumers on their own terms.

At the same time, Meredith editors—through readers' letters and blogs, insight studies, online reader panels, and social networking channels—recognized similar attitudes and patterns of behavior among women, many of whom were making Gamma-like connections around the shared interests they found expressed in the content of brands such as *More*, *Better Homes and Gardens*, *Ladies' Home Journal*, *Parents* and their online counterparts.

In 2007, Meredith collaborated with Lisa Johnson and writer Lisa Finn to define this powerful segment of women from a marketing perspective, and to quantify the impact of their unique style of influence: the *Gamma Factor*.

In the spring of 2008, Meredith partnered with NBC Universal to release *What Do Women Want?*[1]—a research study uncovering the actions, attitudes and aspirations of U.S. women ages 18-64. Through this study, Meredith found that 51% of all women exhibited Gamma-like traits.* Based on the latest available population data from the U.S. Census Bureau (July 2006), that puts the size of the Gamma market at more than 55 million women!

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* Women in this study were considered to be Gamma if they agreed strongly with eight or more attitudinal statements. These statements can be found online at *GammaWomen.com*

The Gamma Factor

Women and the New Social Currency

This report identifies a hidden power in the women's market — a dynamic group of women who interact with and influence a wide network of consumers, who generate and disseminate trends and new ideas, and whose social behavior and media habits reflect a new marketplace and marketing model. Gamma women are a majority market that acts in many ways like a psychographic segment — they share a set of attitudes and behaviors that can be marketed to with specific messaging and techniques. Understanding how Gammas connect and interact can also give marketers insight into how information travels in the new media landscape.

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CHANGE

Changing Social Landscape Calls for New Marketing Approaches

Marketers and advertisers who work in the consumer space are immersed in crafting communications and strategies to capture the attention of specific audiences. Being so steeped in the details can make it hard to see shifts occurring in the larger picture, however. Changes in the marketing landscape necessitate adjustments not just in strategy and messaging, but in how marketers think about the relationships among consumers, products, and marketing.

Broad Marketplace Trends that Reflect the Gamma Mindset

INDIVIDUALITY AND INDEPENDENCE ARE THE NEW CURRENCY

Individuality and independence are the new currency. New media are helping individual voices reach global audiences. The emphasis on individuality is manifesting itself in a variety of ways, from greater self-confidence and self-acceptance among teens, to a growing interest in the unique voices expressed in personal blogs and home videos, to a desire to feel a personal connection with one's work.

88% of adults say they need to be true to themselves no matter what (90% of Gen Xers and Boomers say so).[2]

> Nearly seven in 10 teen girls (69%) say they have their own way of doing things, up 14 points from 2003. [3]

> People want to have greater control over how and when they work, and they view work as part of their identity: 53% of employed adults describe their jobs as expressions of themselves. [3]

> User-generated content accounts for a third (33%) of the average adult's total time spent on the Internet. More than half (51%) occasionally or frequently watch/read personal content created by others; 36% watch You Tube or similar video streaming sites; 36% read blogs; and 18% write blogs. [4]

CONSUMERS' MEDIA USE HAS EXPANDED

The Internet and new media are becoming mainstream, and consumers often use several forms of media (including traditional (mass) media) simultaneously.

The Internet has become a mass medium.

> Two-thirds (66%) of females and 64% of males were online in 2007. In 2008, 100 million females and 94 million males are expected to be online. [5]

> When researching products, more than half of women (55%) say the Internet is their primary source of information. [6]

> Nearly eight in 10 online Americans (78%) consider online shopping to be convenient, and 68% say it saves them time. Nearly half (49%) had ever made online purchases as of 2007, up from 22% in 2000. [7]

Consumers use media in layers and employ technologies that give them greater control over how they consume media.

> Women cite their top reasons for using DVRs as having the freedom to watch shows on their own schedules (69%) and ensuring that they never miss episodes of their favorite shows (69%). [4]

> The number of households with DVRs is expected to grow 142% between 2006 and 2011, from 18.6 million to 45.1 million. [5]

41% of consumers channel surf when a TV commercial comes on, 34% talk to other people in the room or on the phone, 30% mentally "tune out," and 6% watch the commercial.[8]

CONSUMERS VALUE AUTHENTICITY

Consumers crave authenticity and straightforwardness in marketing messages, realism in imagery, and honesty in business dealings. Social and political forces are contributing to the hunger for truth and meaning: there's a growing backlash against ads that present impossible standards of beauty, and corporate scandals have made consumers wary of marketing hype and false promises. At the same time, the continuing threat of terrorism has left many Americans wanting to focus on what really matters to them, and they want marketers to do the same.

> Realism and individuality are two of the key trends identified in Roper's 2007 study. [3]

> Two-thirds of women ages 21-60 (65% of those ages 21-39 and 66% of those ages 40-60) want companies to use images of women they can relate to in advertising. [9]

> 67% of women ages 21-39 and 59% of those ages 40-60 say they're more likely to consider a product if it's being represented by models close to their age. [9]

> Fewer than half of women (46%) believe businesses accurately depict people in their own age groups. [3]

73% of women believe marketing/advertising often sets unrealistic standards of beauty, and 62% think marketers use advertising in subliminal ways that affect consumer behavior.[3]

> Product placement is sometimes considered more authentic than advertising. Consumers are receptive to product placement in movies and TV shows and find it most acceptable when it fits in naturally with the story. [10]

"The biggest consumer shift in the past decade has been the rising demand for reality—in media, service, messaging, in packaging and position."[11]

—Iconoculture, "7 Hot Trends for 2007: Reality Rocks," February 21, 2007

> More than half (52%) of adults cite "being quick to publicly own up to mistakes," and 47% cite "frankly admitting shortcomings of certain product offerings versus others" as behaviors that strongly influence them to believe a company has the consumer's best interests in mind. [2]

CONSUMERS EXPECT TO PARTICIPATE

Consumers expect to participate and interact, and user-created, interactive, or story-embedded content may have more credibility and appeal than traditional advertising. As consumers gain greater control over when and how they consume media, marketers are having to find new ways to engage their targets' attention. The rise of social networking and blogging has also contributed to a participatory consumer market; people want and expect to be asked for their ideas and opinions.

> Between December 2006 and December 2007, the influence of blogging and instant messaging (IM) on purchases of electronics grew 22% (each), compared to broadcast TV and cable, which each declined 14%. [8]

> Over 40% of women consider blogs to be reliable sources of advice and information, and half (50%) say blogs have influenced their purchasing decisions. [12]

> 15 million female Internet users post to blogs at least once a week, and another 21 million read and comment on blogs at least once a week. [12]

> Female bloggers' top reasons for publishing blogs are to have fun, to express themselves, and to connect with others like them. [12]

"Consumers are now in constant communication with their brands, and they will look more and more for true brands that share their passions and motivation.... [They] will see brands without soul as relying on the hard sell of products and services built on pushy, benefit-based positioning statements and forgettable payoffs."

—Carol Davies and Laurence Knight of Fletcher Knight, *Adweek*, "Third Time's A Trend," November 5, 2007

CONSUMERS' SOCIAL SPHERES HAVE GREATER REACH

Online social networks, hobby blogs, and special-interest groups have expanded the reach of consumers' social spheres and established an egalitarian style of interaction. Not only are online social networks becoming mainstream, but the informal, democratic character of online interaction is affecting how consumers expect to communicate with companies.

- 67% of online females visited social networking sites in March 2008. [13]
- The majority of women (57%) cite staying connected with friends and family as the top reason for using online communities. [10]
- 36.2 million female Internet users actively participate in blogs every week. [12]
- Unique visitors to Facebook rose 118% between October 2006 and 2007; visitors to MySpace increased 28% during the same period. [13]
- By 2011, half of all U.S. adults are expected to use online social networks. Ad spending on social media sites is expected to reach $1.6 million in 2008. [5]
- Eight in 10 Internet users (of all ages) are expected to be members of virtual worlds by 2011. [14]

> "[Democratization] diminishes the need to be told what to do and therefore the need for authorities. Add to this the technologies…that make it possible for everyone to state an opinion, and for everyone else to see that opinion, and you have the almost total diffusion of authority we see today."
>
> —Arnold Brown, *The Futurist*, "The Consumer Is the Medium," January – February 2008

CONSUMERS CRAVE BELONGING

Consumers crave belonging, and they are increasingly aware of the repercussions of their actions on the health of their families, their communities, and the environment. They believe that both companies and individuals must take responsibility for their actions. There is a growing sense of the layers of connection that bind people together—of how one individual can have an impact on her immediate circle and her community, and through them on the larger society, and even the planet.

- 69% percent of Americans believe that individuals are responsible for protecting the environment, and 65% think individuals are doing the most to solve the nation's problems. [3]
- Top factors Americans look for in an "ideal" community are friendly neighbors (76%), good schools (76%), religious facilities (71%), and parks/central gathering places (64%). Over half also want sports facilities, community centers, small stores/banks in walking distance, and nearby neighbors. [3]