

PHMC MARKET RESEARCH APPENDIX

Data Resources & Research

Outline of Research Questions

Secondary Research

- GLBT Demographics:
 - Income
 - Population and Buying Power
- GLBT Buying Habits
- GLBT and Marketing
- GLBT Lifestyle
- Sources (Links)

Sources

Luxury Car Survey for Gay and Lesbian Consumers

Code Book

Survey Results & Data

DATA SOURCES AND RESEARCH

- Our first round of research information was obtained using online search engines.
- We focused on the buying habits and financial status of GLBTs.

OUTLINE OF RESEARCH QUESTIONS

- What are the spending habits of GLBTs?
- What is the estimated buying power of GLBTs?
- How do GLBTs compare to Heterosexual households financially?
- How do GLBTs react to advertising and marketing?
- What marketing approaches appeal to GLBTs?
- What can Jaguar do to spark the interest of GLBTs?

SECONDARY RESEARCH

- GLBT Demographics:
 - Income
 - Population and Buying Power
- GLBT Buying Habits
- GLBT and Marketing
- GLBT Lifestyle
- Sources (Links)

GLBT DEMOGRAPHICS: INCOME

- More than a fifth of respondents reported a total combined income of \$100,000 or more. Nearly 60 percent of gay male households and 46 percent of lesbian households showed a combined income in excess of \$60,000
- The absence of children in the vast majority of gay households means that these households, which probably do not earn dramatically more than others in the U.S., do have dramatically more discretionary income
- Studies that aggregate gay men and lesbians may yield higher-than-average incomes because of the prevalence of males in the sample. Since self-reporting gay men seem to outnumber lesbians (in most surveys), and since women earn only about 75 percent as much as men, the average income for gay men and lesbians is likely to be somewhat higher than the norm. This gender effect is compounded when a gay "household" consists of two men.

- “Our research shows that we're probably not richer, by sheer wages," he says. "But we do spend our money differently.”
- **Influential at Work** - twice as likely to be in management positions

GLBT DEMOGRAPHICS: Population and buying power

- Research suggests that some six percent of the U.S. population freely identifies as gay or lesbian. In America’s large cities, where both gay men and lesbians tend to congregate, that proportion can be as high as twelve percent or more. In total, this consumer marketplace numbers some 14 million ethnically diverse consumers whose aggregate income totals \$400 to \$450 billion annually, larger than that of the U.S. Hispanic market.
- Gay customers, Best customers. \$485 Billion.
- An Internet survey of almost 6,000 Americans who identify themselves as gay, lesbian, bisexual or transgender (GLBT) reveals that 88 percent of this population is white, and 48 percent falls into the 18 to 34 age group.
- Over 60% of Gay Americans are College Graduates.
- Gay customers, Best customers. \$485 Billion.

Market Segment	Population	Buying Power	Buying Power Per Capita
Gay & Lesbian	15 Million	\$485 Billion	\$32,000
Asian American	12 Million	\$344 Billion	\$29,000
African American	36 Million	\$688 Billion	\$19,000
Hispanic American	41 Million	\$653 Billion	\$16,000

Combined Sources: Selig Center, US Census 2003, PlanetOut, Wittek-Combs Communications, Inc. and MarketResearch.com

GLBT BUYING HABITS

- **Brand aware** - 87% of gays and lesbians are highly likely to actively seek out brands that advertise uniquely to them.
- They tend to prefer popular product brands, indulge themselves, and seek product upgrades in higher proportion than their non-gay counterparts.
- 79% are willing to pay a premium of quality products and services.
- When individuals were asked if they upgrade to the latest model or version of a product, three-quarters (74%) of the GLBT sample stated they *sometimes to always do*, and 68% of their non-gay counterparts responded similarly. When asked how often they indulge themselves by purchasing luxury goods, 53% of the GLBT sample responded *sometimes to always*, as did 50% of the heterosexual panel.
- The same article states that the GLBT community is more likely than the population at large to favor import and luxury brands; Jaguar, Land Rover, and Volvo are considered such brands.
- The analysis found that quality is a key factor in gay/lesbian consumer brand decisions. "Across the board, brands known for quality tend to be favored by gay and lesbian consumers,"... gay consumers favor brands recognized for value and excellence."

GLBT AND MARKETING

- Significantly, nearly 4 out of 10 gay consumers (39%) also stated that – quality and value of products being equal – they prefer to purchase products from companies that advertise in gay and lesbian media. However, an even higher percentage (46%) also stated they prefer to purchase products from companies that provide financial and/or in-kind support to nonprofit organizations serving the gay and lesbian community over competing products from companies that do not.
- Reaching the gay market effectively means creating advertising and other marketing communications specifically directed toward their consumer mindset.
- In focus groups nationally, gay men and lesbians express a definite preference for advertising that specifically reflects their mindset and sensibilities.
- Rarely can gay marketing efforts rely on traditional advertising alone. Extending your reach among this audience requires understanding the community infrastructure available to access them. The result is often a sophisticated mix of advertising, direct marketing, community presence and Internet promotions.
- Although higher percentages of gay men and lesbians report that advertising "rarely" shows people like themselves, they also have a higher propensity than non-gays to report that advertisements, particularly TV and magazine advertisements, can motivate them to consider buying an advertised product.
- "The main reason you target a group like the gay community is because we're willing to reward companies just for targeting us," says Fernando Trejo, a Boston-based management consultant in strategy and marketing. "There's a huge emotional component there."
- As this study confirms, gay men and lesbians may be more motivated to respond to advertising messages, especially offers that are sensitive and respectful of their needs and identities."
- Gay consumers now expect advertisers to address them for who they are, directly and openly.
- Reveals that consumers who self-identify as lesbian, gay, bisexual and transgender (LGBT) have deeper trust for products and brands that not only target gay consumers, but even more so for products offered by companies that have progressive policies toward gay and lesbian employees. Fifty-six percent of all gays sampled agreed that they trust brands more from progressive companies – with 41% reporting they "strongly agree."
- In addition, seven out of ten gay consumers sampled (72%) agreed it was important for companies advertising products to LGBT consumers to "demonstrate effective corporate citizenship" by supporting lesbian and gay causes. Seven out of ten sampled (71%) also stated it was important for companies advertising their products to "establish and publicize progressive policies towards gays and lesbians."
- The results also show that half the respondents also say it is important for companies to use gay images in advertising, and seventy-two percent of LGBT respondents say it is important for companies to advertise in gay media.

GLBT LIFESTYLE

- Fifty-eight percent of GLBT have gone to a bar or club in the past month.
- Critics argue that the visibility of gays and lesbians in advertising is not an indication of the increased social acceptance of gays and lesbians, but simply an attempt by advertisers and network executives to access an untapped market. They worry that after almost thirty years of political struggle, gay and lesbian rights have been reduced to increased consumer choice.
- Several of their television preferences require access to premium cable services...The gay marketplace presents desirable demographics that marketers can tap into via niche programming available on premium cable networks."

Top Television Programs

1. Will & Grace
2. Queer as Folk
3. Queer Eye for the Straight Guy
4. Six Feet Under
5. Law & Order

Top Cable Networks

1. Bravo
2. A&E
3. HBO
4. Showtime
5. Comedy Central

Top Gay-Themed Magazines Titles (Men)

1. The Advocate
2. Out
3. Instinct

Top Gay-Themed Magazine Titles (Women)

1. The Advocate
2. Curve/Girlfriend (tied)
3. Out

Top Internet Websites (Men)

1. Google
2. Yahoo!
3. Gay.com
4. Hotmail.com
5. Amazon.com

Top Internet Websites (Women)

1. Google
2. Yahoo!
3. Amazon.com
4. eBay.com
5. Planetout.com

Top Auto Manufacturers Gay/Lesbian Consumers "Consider for Future Purchase"

1. Toyota
2. Honda
3. Volkswagen
4. Ford
5. BMW

SOURCES (LINKS)

<http://www.glcensus.org/downloads/GenRelease.htm>

http://chiefmarketer.com/fallout_Ford_01072006/

<http://abcnews.go.com/Business/story?id=1414092>

<http://www.glbtfriendly.com/glbtfads.asp>

http://www.findarticles.com/p/articles/mi_m4021/is_2001_Nov_1/ai_79501202/pg_2

<http://www.glcensus.org/press/2005-05-17.html>

<http://www.harrisinteractive.com/news/allnewsbydate.asp?NewsID=311>

<http://www.primeaccess.net/Press/Harvard.pdf>

<http://www.harrisinteractive.com/news/allnewsbydate.asp?NewsID=992>

http://www.findarticles.com/p/articles/mi_m1589/is_2002_Feb_19/ai_83375446

<http://www.gaymarketexpress.com/>

<http://www.harrisinteractive.com/news/allnewsbydate.asp?NewsID=478>

http://www.media-awareness.ca/english/issues/stereotyping/gays_and_lesbians/gay_advertising.cfm

Property of Natasha N. McEachron

LUXURY CAR SURVEY FOR GAY AND LESBIAN CONSUMERS

Please tell us a little about yourself:

1. Do you consider yourself to be Gay, Lesbian, Bisexual or Transgender (GLBT)?

Yes _____ No _____ (If No, please go to question #22)

2. Do you currently have a valid driver's license?

Yes _____ No _____ (If No, please go to question #22)

3. Do you currently own a car?

Yes _____ No _____

4. If not, do you plan to purchase one within the next 12 months?

Yes _____ No _____ (If No, please go to question #22)

5. If you currently own a car, what three things do you love most about it?

1. _____ 2. _____
_____ 3. _____

6. What one thing would you change about your car, if anything?

7. Rank these car buying factors according to their level of importance to you,

1= least important and 5= most important

Power _____

Price _____

Style _____

Features _____

Manufacturer _____

8. What two features attract you most to a car?

9. What are your 5 favorite cars?

10. Order the following luxury car manufacturers according to your preference,

1= least preferred and 10= most preferred

BMW _____ Jaguar _____ Mercedes _____
Audi _____ Lexus _____ Infiniti _____
Cadillac _____ Lincoln _____ Saab _____
Land/Range Rover _____

11. What is your primary reason for the ranking you gave your most preferred manufacturer (1)?

12. What is your primary reason for the ranking you gave your least preferred manufacturer (10)?

13. What is your primary reason for the ranking you gave Jaguar?

14. How would you rate Jaguar on the following factors, 1= very unfavorably and 5= very favorably:

Factor	Very Unfavorably			Very Favorably		
	1	2	3	4	5	
Power	_____	_____	_____	_____	_____	
Price	_____	_____	_____	_____	_____	
Style	_____	_____	_____	_____	_____	
Features	_____	_____	_____	_____	_____	
Manufacturer	_____	_____	_____	_____	_____	

15. Would you consider Jaguar for your next car purchase?

Yes _____ No _____

15a. Why or why not?

16. Do you think that Jaguar has a good image among the gay and lesbian community?

Yes _____ No _____

16a. Why or why not?

17. Do you think that Jaguar does a good job of advertising to the gay and lesbian community?

Yes _____ No _____

17a. If not, why not?

18. Are you in general more inclined to purchase products from a company that marketed directly to the gay community?

Yes _____ No _____

19. What is your gender?

Male _____ Female _____

20. What is your age range?

Under 18 _____
18-24 _____
25-34 _____
35-44 _____
45-54 _____
55+ _____

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CODE BOOK

1. GLBT? (All should be yes.)

1- Gay 2- Lesbian 3- Bisexual 4- Transgender

2. Valid License?

1- Yes _____ 2- No _____

3. Own a car?

1- Yes _____ 2- No _____

4. Plan to purchase in 12 mos.?

1- Yes _____ 2- No _____

5. Three things love most about current car?

Open response (use commas to separate)

6. One thing to change about current car?

Open response

7. Rank car buying factors

Power _____ Price _____ Style _____ Features _____ Manufacturer _____

8. Two features that attract you to a car?

Open Response (use commas to separate)

9. Five favorite cars?

Open response (use commas to separate)

10. Order the following luxury car manufacturers

BMW Jaguar Mercedes Audi Lexus
Infiniti Cadillac LincolnSaab Land/ Range Rover

11. Reason for ranking of most preferred manufacturer?

Open Response (use commas to separate)

12. Reason for ranking of least preferred manufacturer?

Open Response (use commas to separate)

13. Reason for ranking of Jaguar?

Open Response (use commas to separate)

14. Rate Jaguar

Power _____ Price _____ Style _____ Features _____ Manufacturer _____

15. Jaguar for next purchase?

1- Yes _____ 2- No _____

15a. Why or why not? (Open response)

16. Does Jaguar have a good image among the GLBT?

1- Yes _____ 2- No _____

16a. Why or why not? (Open response)

17. Do you think Jaguar does a good job of advertising to the GLBT?

1- Yes _____ 2- No _____

17a. Why or why not? (Open response)

18. More inclined to purchase product marketed to gays?

1- Yes _____ 2- No _____

19. Gender?

1- Male 2- Female _____

20. Age Range?

Under 18 _____ 18-24 _____ 25-34 _____ 35-44 _____ 45-54 _____ 55+ _____

SURVEY RESULTS & DATA

1. Do you consider yourself to be Gay, Lesbian, Bisexual or Transgender (GLBT)?

Data was compiled based on the responses of 36 members of the GLBT community.

2. Do you currently have a driver's license?

Yes: 33 out of 36 (92%)

No: 3 out of 36 (8%)

3. Do you currently own a car?

Yes: 16 out of 36 (44%)

No: 20 out of 36 (56%)

4. If not, do you plan to purchase one within the next 12 months?

Yes: 8 out of 36 (22%)

No: 25 out of 36 (69%)

N/A: 3 out of 36 (8%)

5. If you currently own a car, what three things do you love most about it?

-Appearance, convenience, performance, comfort, features

6. What one thing would you change about your car, if anything?

-Features, appearance, manufacturer

7. Rank these car buying factors according to their level of importance to you.

Power 3.0 (2)

Price 2.7 (5)

Style 2.9 (4)

Features 3.0 (2)

Manufacturer 3.4 (1)

8. What two features attract you most to a car?

-Appearance, price, performance, features, manufacturer.

9. What are your five favorite cars?

-VW, Lexus, Mercedes, BMW, Infinity

10. Order the following luxury car manufacturers

BMW 8.1 (1)

Jaguar 6.2 (4)

Mercedes 7.5 (2)

Audi 6.2 (4)

Lexus 6.3 (3)

Infiniti 5.7 (6)

Cadillac 4.6 (8)

Lincoln 4.7 (7)

Saab 3.5 (10)

Land/ Range Rover 4.1 (9)

11. What is your primary reason for the ranking you gave your most preferred manufacturer (1)?

-Versatility, travel friendly, appearance, quality, manufacturer, performance, price, familiar manufacturer

12. What is your primary reason for the ranking you gave your least preferred manufacturer (10)?

-Appearance, size, manufacturer, image, performance, bad for environment, price, doesn't fit lifestyle.

13. What is your primary reason for the ranking you gave Jaguar?

-Image, high maintenance, luxury, appearance, personal issues with car, not appealing, price, doesn't know much about the brand

14. Rate Jaguar

Power	3.5
Price	2.4
Style	4.2
Features	3.7
Manufacturer	3.5

15. Would you consider Jaguar for your next car purchase?

Yes: 6 out of 36 (17%)

No: 30 out of 36 (83%)

16. Do you think Jaguar has a good image among the gay and lesbian community?

Yes: 23 out of 36 (64%)

N/A: 1 out of 36 (3%)

No: 12 out of 36 (33%)

17. Do you think Jaguar does a good job of advertising to the GLBT?

Yes: 8 out of 36 (22%)

N/A: 2 out of 36 (6%)

No: 26 out of 36 (72%)

18. Are you in general more inclined to purchase products from a company that marketed directly to the gay community?

Yes: 19 out of 36 (53%)

N/A: 1 out of 36 (3%)

No: 16 out of 36 (44%)

19. What is your gender?

Male: 27 out of 36 (75%)

Female: 9 out of 36 (25%)

20. What is your age range?

18-24: 15 out of 36 (42%)

25-34: 16 out of 36 (44%)

35-44: 5 out of 36 (14%)