A.B.N.S.A. GAY CONSUMER PROFILE 2008

The A.B.N.S.A. Gay Consumer Profile 2008 is the first of its kind and the largest, most comprehensive and most representative gay consumer survey in South Africa's history. The statistically significant results are of great importance to researchers, marketers and academics. The statistical analysis on this report was done by Qualitative Quarter, an independent market research company and the results were verified by Theta Projects. Nicola Kleyn, a senior lecturer from the University of Pretoria's Gordon Institute of Business Science, assisted with the analysis of the results. Unbiased and professional third party involvement contributed to the validity of the study.

This study focuses on profiling gay consumer habits, preferences, purchasing patterns and motivations covering a wide field. Topics, such as age at the time of coming out, employment, income, shopping, banking, credit cards, homes, cars, electronics, pets, television and print media were covered. Much international research of a similar nature has been conducted and these results are comparable to other recent international studies. This study is of immense value and provides independently verified market data, trend perspectives and insights into the gay consumer profile in South Africa for the first time. No previous studies of this kind have ever been done on this scale.

In August 2007, the Gay Pages launched a nationwide survey among the gay community. By May 2008 all the completed surveys had been received. In total, 15 000 printed questionnaires had been sent out. Survey forms were published in the Gay Pages and 3 000 were mailed or hand delivered as separate printed documents. An online survey could also be completed and a PDF version was in general circulation. The aim was to reach the widest possible cross-section of the LGBTI population all over South Africa, irrespective of gender, race, income or whether they were readers of the Gay Pages or not. The typical pitfall of completing questionnaires en masse at gay venues or events was avoided, as that would have skewed the results and not have given a representative sample. The vast majority of respondents were male, with the target audience being "out" men and women who could be reached through print, Internet media and mailed printed questionnaires. These results do not reflect the entire gay population of South Africa, but the findings do provide statistically significant insight into the gay consumer profile. Previously no independently analysed and verified representative scientific research data was available. This study is historically significant because of the record number of questionnaires that had been distributed all over South Africa. Many respondents from rural areas responded, giving a far more representative sample.

Breaking through corporate homophobia is an ongoing struggle, as many corporates ignore the buying power of the gay market. This silent encouragement of the exclusion of gays and lesbians from everyday imagery across all media is an insidious form of corporate homophobia. This research highlights the massive purchasing power and brand loyalty of the gay community. The gay population segment is a dynamic, highly educated, creative, affluent, aspirational and vital section of the population.

We thank everyone who participated in this study and invite research partners to participate in a follow-up study in 2009/2010, as this study highlighted fascinating areas for further exploration.

REPRESENTATIVE CROSS SECTION

Respondents are well distributed throughout South Africa, with Gauteng and the Western Cape representing over 70% of the total respondents. Durban, Port Elizabeth, the Eastern Cape, the Garden Route, small towns and rural areas represented the balance.

RESPONDENT DEMOGRAPHICS

GENDER

Male: 96.5%
Female: 3.5%

AGE

Median Age: 29
Under 30: 25.5%
Under 50: 85%
Over 55: 9%

- 3.5% of the respondents are under 21
- 8% are aged 21 - 25
- 15.5% are aged 26 - 30
- 19.5% are aged 31 - 35
- 14% are aged 36 - 40
- 16% are aged 41 - 45
- 11% are aged 46 - 50
- 8% are aged 51 - 55
- 6% are aged over 56

COMING OUT AGE

- 8% 0 - 16
- 38% 17 - 21
- 25% 22 - 27
- 21% 28 - 35
- 5.5% 36 - 45
- 2.5% over 45

46% were out of the closet by age 21.

It is evident that gay people are starting to identify themselves as gay at a much younger age than previously and that they develop a sense of community much sooner. These figures indicate that society is much more tolerant than ever before. Internet access makes it easier for gay individuals and teenagers to come out and avoid the isolation that was common before the age of the Internet.

EDUCATION

- 3% have not graduated from high school.
- 27% have graduated from high school.
- 3% have completed 1 year post matric studies.
- 7.5% have completed 2 years post matric studies.
- 34% have a degree or diploma.
- 17% have an honours degree.
- 5.5% have a master's degree.
- 3% have a doctorate.

Education levels are much higher than mainstream education levels. International research has also found high education levels that correlates closely with this study.

OCCUPATION

- 47% are self employed.
- 75% are in management positions.
- 60% work in small companies.

Respondents tend to be highly skilled, creative and self-reliant, so the exceptionally high levels of self-employment fits the profile. It also explains the preference for smaller companies where creative input is more likely to be encouraged.

Occupational categories:

- Hospitality: 14%
- IT: 10%
- Retail: 9%
- Motor industry: 7%
- Education: 6%
- Advertising, Marketing & PR: 8%
- Finance: 6%
- Travel & Tourism: 5%
- Architecture & landscaping: 4%
- Engineering & construction: 3%
- Estate agents: 3%
- Export & wholesale: 3%
- Farming: 3%
- Freight, logistics & warehousing: 3%
- Full-time student: 3%
- Medical: 3%
- Public service: 3%
- TV & Film: 2%
- Aviation: 2%
- Human resources: 2%
- Retired: 1%

INCOME

Median monthly income: R30 000.

- 9.5% earn over R80 000 per month.
- 15.5% earn over R60 000 per month.
- 24% earn over R45 000 per month.
- 58% earn over R18 000 per month.
- 78% earn over R9 000 per month.
- 85% earn over R6 000 per month.
- 15% earn under R6 000 per month.

With so many cohabiting couples in the community, it means that gay households have a very high disposable income, especially if they have no children. This led to the coining of the term DINKS - Double Income, No Kids. Income is much higher than average due to high levels of education. A high percentage of respondents are self employed and possess specialist skills.

PLANNED RETIREMENT AGE

- 27% want to retire by 55.
- 40% want to retire by 65.
- 6% want to retire by 70.
- 27% do not want to retire. Ever!

Many, gay people never actually retire. Typically, gradual career changes would occur into their sixties and hobbies would often evolve into small businesses that eventually become the main source of income. 73% of respondent's hobbies have income-generating potential. Multiple sources of income in old age is a clear trend.

RELATIONSHIPS & FAMILY

- 9% have been in a heterosexual marriage.
- 7% have their own biological children.
- 1% have adopted children.
- 5% are married under the Civil Unions Bill.
- 10% are planning to get married in the next year.
- 47% live with a partner.
- 53% live alone.
- 7% of the couples have been together for up to one year.
- 20% have been together 1 - 3 years.
- 43% have been involved 4 - 6 years.
- 13% have been involved 7 - 9 years.
- 7% have been involved 10 - 14 years.
- 6% have been involved 15 - 20 years.
- 3% have been involved longer than 20 years.
- 1% are widowers.

PETS

Pet ownership is high and as we expected, pets are cared for like children. Pet ownership is much higher among older respondents and they tend to spoil their pets excessively. Few gay people send their pets to kennels during short periods of absence. Instead, pet sitters are commonly used and pets frequently travel with their owners. Pet food manufacturers have recently started advertising in the Gay Pages. This is the ultimate market for the pet industry.

- 79% treat their pets as their children.
- 73% own pets, often more than one species.
- 68% own dogs.
- 28% own cats.
- 4% own other pets such as birds, koi etc.

The twenty most popular breeds in order of popularity :
Pavement special, Fox Terrier, Jack Russell, Dachshund, Boerboel, Alsatian, Siamese cat, Pekinese, Dobermann, Whippet, Labrador, Yorkshire Terrier, Pug, Spaniel, Tabby cat, Persian cat, Chow, Weimaraner, Bull Terrier, Collie.

The seven most popular pet food brands are in order of popularity:
Eukanuba, Hills, Vet's Choice, Purina, Epol, Pedigree, Whiskas.

HOME OWNERSHIP

- 77% own residential properties.
- 37% own two or more properties.
- 65% live in a house.
- 14% live in a flat.
- 12% live in a cluster complex.
- 9% live in a cottage.

Other Property

- 7% own commercial property.
- 2% own offshore property.

FINANCE

The six most popular financial institutions are:
ABSA: 43%
Standard Bank: 23%
Nedbank: 22%
First National Bank: 20%
Rand Merchant Bank: 3.5%
Investec: 3.5%

Many respondents have several accounts and nominated more than one institution as their preferred choice.

The four most popular banks for home loans are:
ABSA: 34%
Standard Bank: 22%
Nedbank: 17%
First National Bank: 17%

Credit cards

- 84% have credit cards.
- 16% have platinum credit cards.
- 48% have gold credit cards.
- 16% have silver credit cards.
- 35% have standard credit cards.

The twelve most popular credit cards are:
ABSA: 24%
FNB: 22%
Nedbank: 20%
Standard Bank: 20%
Diners Club: 10%
Discovery: 10%
Blue Bean: 8%
Virgin: 7%
AMEX: 6%
Voyager: 6%
Investec: 2%
Woolworths VISA: 2%

Many respondents have more than one different type of credit card with different financial institutions. Platinum credit card ownership is much higher than the mainstream population. AMEX is the only financial institution that has targeted the gay market, briefly.

WINE & DINE

Eating out and entertaining are important pastimes among gay consumers, and occurs much more frequently than in mainstream society.

Restaurants

27% dine out more than 10 times per month.
58% dine out 5 or more times per month.

Alcohol

The favourite tipple is vodka, closely followed by whiskey (including Bourbon).

- 58% are wine drinkers.
- 33% drink spirit.
- 15% are beer drinkers.

91% identified favourite brands by name - all-in-all 58 brands were named. This vast list is unusual for a survey and indicates a high degree of brand awareness. Ironically, advertising campaigns aimed at the gay market are rare. Absolut vodka is the only spirit brand that advertised to gay consumers for longer than 2 years. J&B briefly flirted with the gay market some years ago. Avondale wines recently started an advertising campaign targeting gay consumers.

The list that follows is an indication of the preferred brands.

Vodka

- 9% Smirnoff
- 3.5% Absolut vodka
- 2% Gordon's Gin

Whiskey & Bourbon

- 4% Johnny Walker
- 2.5% Jameson's
- 2% Bells
- 2% J&B
- 2% Jack Daniels

Wine

- 7.5% Nederburg
- 5% Durbanville
- 2% Four Cousins

Beer

- 2.5% Amstel
- 3.5% Castle
- 2% Windhoek Lager

BRAND LOYALTY

63% consider themselves brand loyal.
47% consider themselves label conscious.

Overt label consciousness can be seen as slightly crass and possibly not in very good taste. Label consciousness among gay consumers usually refer to clothing. Brand loyalty encompasses much more than just clothing, and includes everything from toothpaste and breakfast cereal, to cars and computers. Conspicuous consumption in a post-modern context is frowned upon, and more subtle, artistic expressions of status are more readily embraced.

IMAGE

69% consider themselves image conscious.

Image consciousness is far-reaching, from grooming, clothing, bed linen, pre-packaged foodstuffs, to gyms, cars, restaurants and more. Image, is everything you do, own, aspire to and how you want society to perceive you. It is the sum total of the image you project of yourself. It touches every part of your waking - and sleeping - life.

LUXURY GOODS

74% are avid consumers of luxury goods.
34% indicated that they spend more than average on acquiring luxury items.

Virtually no campaigns targeting gay consumers has been launched, in sharp contrast to overseas trends.

WRISTWATCHES

54% own more than one watch.

The eleven most popular watch brands are:

- 16% Seiko
- 11% Tag Heuer
- 11% Fossil
- 7% Tissot
- 5% Swatch
- 5% Michel Herbelin
- 5% Raymond Weil
- 4% Rolex
- 3.5% Rado
- 3.5% Guess
- 2.5% Casio

In all, 45 different brands were named. 51% of the brands identified are well-known Swiss brands e.g. Breitling, Maurice Lacroix, Longines and Bucherer.

It is interesting that none of the top brands have previously advertised in South African gay media. None of the brands identified other than Seiko, Tag Heuer and Fossil have a dominant market share. There is obvious marketing potential for luxury brands.

JEWELLERY

50% buy jewellery for themselves.

No marketing has ever been done by the top jewellery brands to this market segment.

TECHNO SAVVY

24 brands were identified. The following seven brands dominates the market with 84% of the total market share.

Hewlett Packard 22%
Apple 19.5%

Dell 10%
Mecer 9%
Acer 9%
Sony 7%
IBM 4.5%

- 86% enjoy buying the latest electronic gadgets.
- 91% have bought electronic equipment in the past 12 months ranging from laptops to Blackberry phones.
- 57% own a laptop PC.
- 31% own an iPod.
- 12% own a Blackberry.
- 93% are Internet users.
- 36% have been using the Internet longer than 10 years.

This corresponds with international findings. Gays are considered 'early adopters' and are often at the forefront - if not actually spearheading - new trends.

Other than Mecer, who has advertised in the Gay Pages for 11 years, no efforts have ever been made by the technology sector to attract gay consumers.

HEALTH & FITNESS

58% go to gym.

Virgin Active totally dominate this market segment at 83%. Planet Fitness was rated a distant second at 7%.

WELLNESS

66% go for regular wellness and beauty therapy treatments - far more than the straight male population.

SPORT

33% participate in a wide range of sporting activities.

GROCERIES

- 69% buy groceries at Pick 'n Pay.
- 62% buy groceries at Woolworths.
- 43% buy groceries at Spar.
- 29% buy groceries at Shoprite & Checkers.

Groceries are mostly bought from more than one store.

MOTOR CAR OWNERSHIP

Mercedes-Benz is now the most commonly owned motor car. Previously, BMW wore the crown as the most popular automotive brand to drive. Mercedes-Benz's advertising campaign targeting gay consumers for the last six years has obviously been successful. Cars feature high on the gay shopping list. 44% buy new cars within a 3 year period.

- 95% own a car.
- 25% own small cars.
- 29% own luxury sedans.
- 21% own mid-size sedans.
- 10% own SUVs.
- 9% own convertibles.
- 8% own bakkies.

On average, cars are replaced:
Every year: 5%
Every 2 years: 23%
Every 3 years: 16%
Every 4 years: 12%
Every 5 years: 11%
Every 6 years or more: 34%

The ten most popular cars to own are:
Mercedes Benz: 16%
Volkswagen: 10.5%
BMW: 10%
Toyota: 10%
Ford: 8%
Audi: 5.5%
Renault: 5.5%
Nissan: 5%
Opel: 3.5%
Jaguar 2.5%

It is unusual to have two luxury brands at the top of a survey list of the most commonly owned automobiles. This trend is quite different from mainstream studies. It indicates that gay consumers spend a lot more than average and that premium brands are at the top of the list. Normally premium brands would represent a much smaller market share.

It is interesting to note that the top 5 car companies have an advertising history in the Gay Pages. Four of them have advertised at both corporate and dealership level. BMW has only advertised at dealership level, never as a corporate entity.

The ten most popular cars that people want to drive are:
Mercedes Benz: 19.5%
BMW: 16%
Audi: 11%
Volkswagen: 6.5%
Land Rover: 5.5%
Toyota: 5.5%
Smart: 4.5%
Mini: 3.5%
Peugeot: 3.5%
Hummer: 3.5%

The aspirational desire to own a Mercedes or BMW closely follows actual ownership patterns, revealing a realistic aspirational motivation and a high degree of brand loyalty.

The amount that will be spent on the next car:
R0 - 100 000: 16%
R101 000 - 200 000: 27%
R201 000 - 300 000: 40.5%
R301 000 - 400 000: 9.5%
Over R401 000: 18%

58% will be spending more than R200 000 on their next car.

TRAVEL

- 80% travel economy class.
- 17% travel business class.
- 2% travel using air charter.
- 1% travel first class.
- 49% belong to a frequent flyer programme.

Local

70% travel more than 3 times per year locally.
66% take 3 or more power breaks of fewer than 4 days at a time per year.

South African Airways, British Airways and Kulula are the three most frequently used airlines. Apart from Cathay Pacific who advertised briefly in the Gay Pages in 2005, airlines are ignoring this market completely.

International

- 21% travel internationally 2 or more times per year.
- 13% travel internationally once per year.
- 22% travel internationally every 1 to 2 years.
- 19% travel internationally every 3 to 4 years.
- 25% have never travelled internationally.

The six top destinations are:

- 39% Europe
- 26% UK
- 10% Africa
- 6% Far East
- 5% Australia

Travel habits

- 25% travel out of season.
- 69% travel any time of the year.
- 6% travel in season.
- 85% stay in upmarket accommodation at least some of the time, if not all the time.
- 50% stay in guesthouses.
  61% stay in hotels.

The number of respondents who travel out of season and during off-peak times illustrates that there is unprecedented opportunity to target this market segment for out of season travel when occupancy is low.

MAGAZINE READERSHIP

Gay

- 92% read gay magazines.
- 63% read the Gay Pages (ZA).
- 21% read the Gay Times (UK).
- 4% read Blue (AU).
- 3% read ON Magazine (USA).
- 2% read Wrapped (ZA).
- 5% read a variety other imported gay titles.

Other

- 90% read décor magazines.
- 51% read mainstream men's magazines.
- 38% read travel magazines.
- 19% read motoring magazines.

The most read titles are:

- 63% Gay Pages (gay - ZA)
- 38% Garden & Home
- 47% Men's Health
- 24% House & Garden
- 23% House & Leisure
- 21% Gay Times (gay - UK)
- 21% Habitat
- 20% Huisgenoot
- 17.5% Getaway
- 15% Top Car
- 13% Country Life
- 12% Visi
- 11% Weg
- 11% You
- 10% De Kat
- 9% People
- 8% FHM
- 6% Noseweek
- 6% SA Gardener
- 6% Sarie
- 5% Cosmopolitan
- 5% Rooi Rose
- 4% Blue (gay - AU)
- 3.5% Tuin
- 3% Car Magazine
- 3% ON (gay - USA)
- 3% Time Magazine
- 3% Wiel
- 2% Food & Home
- 2% SA Home Owner
- 2% Wrapped (gay - ZA)
- 1% Architectural Digest
- 1% Attitude (gay - UK)
- 1% AXM (gay - UK)
- 1% DNA (gay - AU)
- 1% Economist
- 1% Food & Home
- 1% Insig
- 1% Mate (gay - DE)
- 1% Physics World
- 1% Popular Mechanics
- 1% Vanity Fair

TELEVISION

44% subscribe to DSTV.
24% Own PVR Decoders.

Favourite channels

- 25% M-Net
- 23.5% BBC
- 22% Discovery Channel
- 13.5% E-TV
- 13.5% SABC
- 8.5% National Geographic

- 8% History Channel
- 7% M-Net Movie Channel
- 6% Series Channel
- 5% KykNet
- 4% Sport hannels

TV habits

80% channel hop during ad breaks.
85% of PVR owners fast forward through advertisements.
75% would pay extra for a gay channel.

The question begs to be asked: Does it pay to advertise on TV?

HOBBIES

79% of respondents have hobbies, with 80% of those being recreational, 18% being both recreational and income generating and 2% being income generating.

The most popular hobbies:

- 25% enjoy making art, with painting being most popular.
- 22% are avid readers.
- 19% are avid crafters - knitting, sewing, beading etc.
- 18% enjoy listening to or making music.
- 12% love gardening.
- 11% cook and entertain.
- 10% go hiking and canyoning.
- 9% enjoy walking.
- 9% enjoy writing.
- 5% travel as a hobby.

RELIGION & SPIRITUALITY

Gay people tend to have high internal locus of control and they tend to be analytical regarding spiritual beliefs and the way they were socialised and educated. Most traditional religious structures are homophobic by nature, consequently gay people spend a lot of time searching for spiritual enlightenment in other areas. Eastern spirituality (especially Buddhism) and New Age esoteric beliefs are seen as important alternative belief systems. Most respondents are free thinkers.

- 80% consider themselves spiritual.
- 71% have their own ideas about religion and spirituality.
- 63% believe in karma.
- 42% practise religion.

CORPORATE VISIBILITY

- 17.5% will not support certain companies due to perceived homophobia. (Yes, we know who these companies are…)
- 76% will be more aware of a specific ad targeting gay people.
- 96% pay more attention to ads seen in the Gay Pages or other gay media.
- 45% are always irritated by ads in mainstream media depicting gay people as camp or overtly flamboyant stereotypes.
- 41% are sometimes irritated by ads in mainstream media depicting gay people as camp or overtly flamboyant stereotypes.
- 92.5% of the respondents will consciously support advertisers in the Gay Pages.

- The gay population is approximately 10% of the general population. There are over 4.8 million gays and lesbians living in South Africa, which is a large consumer segment to ignore. Advertising agencies, marketers and brand managers who ignore this market are overlooking an immensely significant demographic.
- In this survey and in all the international survey results, respondents indicated that they would consciously support advertisers in gay media and be much more aware of the portrayal of gay people in the media.

Why do companies create gay-themed print advertising? Because even today there is so little imagery of gay men and women in ads that it stands out dramatically. And because the gay community so rarely sees itself reflected in advertising, those ads can get a disproportionately positive response if done properly. And of course an ad portraying the group it targets will usually do better than one that does not. - commercialcloset.org

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www.commercialcloset.org is a US-based website that monitors advertising to the LGBTI community.
www.CommunityMarketingInc.com conducted a Gay Consumer Index in the US in 2007. Results can be purchased online.