

Pursuit of Pink Dollar

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Abstract

In attempting to secure the high context gay male market, companies must understand what makes the gay market different from other markets. Traditional marketing segmentation procedure uses key values (e.g. family, religion) and factors that include demographics, geographics, psychographics and behaviours also investigated (Kotler, Brown, Adam, Burton & Armstrong, 2007). However with the gay male market, these variables are unlikely to be effective as the key differential lies in that of the lifestyle and value held by the market (Schofield & Schmidt, 2005; Tuten, 2005; Kates, 2004; Sha, 2004; Haslop, Hill & Schmidt, 1998). Marketers need to be aware that their strategies may have a negative impact on both heterosexual and gay market segments. For example, some organisations may be concerned that the appeal to the gay market may alienate the heterosexual market (Miller, 1995; Grier & Brumbaugh, 1999). This paper therefore aims to merge the theories of consumer behaviour, sub-culture understanding and the identification of individual values and attitudes of the gay male market. From the practical point of view, this paper will enable organisations to understand how to market to a high context market, especially in a market that thrives with individualism and sub-cultures. It will also help develop strategies in targeting while simultaneously avoiding the ostracising and possible alienating by mainstream consumers.

Introduction

This paper is an expansion of earlier works by researchers (e.g. Kates 1999, 2002 & 2004; Velliquette 2000), who have examined the gay male market's consumption of brands and products. An understanding of the gay market consumer attitudes and behaviour is important for organizational success in pursuit of the pink dollar. In order for companies to tap effectively into the lucrative pink dollar market, organisations must know how to attract the target gay market without ostracising and possible alienating by the non-gay market. For example, gay community members in a North American paper show signs of distrust and disloyalty to corporations that are perceived to be anti-gay, or have policies that do not acknowledge gay existence (Kates, 1999, 2002 & 2004). This may occur as a result of television advertisement that stereotype or snub the gay market, which results in strong sentiments against the brand. However, if the intention is to target the gay male market, negative stereotyping can result in a purchasing backlash. In addition to the typecasting of gay men in media, symbols and brands are used to draw innuendos of gay culture. Men in leather chaps with thick moustache or earrings were gay symbolisms in the 70s and 80s. Movies such as 'X-men' (Mutants) and 'Brokeback Mountain' (Cowboys) created different symbols and meanings to cultural consumers. These constructed meanings affect the consumption of different products and services (Velliquette, 2000), and this paper will examine how gay male consumers interpret organisational symbols and brands in marketing.

This paper aims to provide both theoretical and practical contributions that address the issues, and draw on the theories of value creation, co-creation, and deconstruction theory which are applied in the consumer behaviour context. These theories will be investigated to provide insights to companies on understanding how to target the gay male market effectively.

Key Problem

The key conceptual problem is how to tap into the lucrative and growing gay male market, while not losing the mainstream and traditional heterosexual market (Tuten, 2005). Recent advertisements have begun including non traditional family visual cues, such as gay couples buying furniture or a car, although these imageries are not acknowledging gay rights or issues, but an attempt to lure the 'pink dollar' (Media Awareness Network, 2008). Creating the association of acknowledging gay existence subtly in the marketplace by companies is a strategic step, but will it lead to opposition by non-gay or anti-gay consumer? The key question this paper addresses is:

How do organisations market to the gay male consumers without losing commercial appeal from the non-gay male consumers?

Research on cultural differences has provided insight into some of the 'psychological, social and cultural challenges related to identity and the collegiate context' (Rhoads, 1997, p.462). Sub-culture paper is thus necessary in this paper to determine the identity of the gay males' cognitive, conative and affective perspectives. The challenge for such a market is to avoid 'developing a sense of identity within an organisational culture that is generally hostile toward homosexuality' (Rhoads, 1997, p. 463). Organisational culture, support and affirmation towards gay existence, both within the company and the marketing of the brand/product, may be the value that is sought by the gay market (Rhoads, 1997).

Understanding gay sub-cultures: Relevant theoretical underpinnings

Culture

Culture underlies the way consumers think and is understandably highly important in the decision making process (Leo, Bennett & Hartel, 2005). In societies where homosexuality is frowned upon or illegal, locations perceived by the gay community to be their meeting place are formed and shared within the sub-culture. It is important to note too that online communication is on the rise, whether chat rooms or instant messaging.

Sub-Culture

Consumption choices bring about the evolving of sub-cultures. The importance of sub-cultures in marketing is likely to increase as a result of growing global integration and the concomitant decline in the importance of the nation-state (Ohmae, 1990, cited in Heslop, Papadopoulos & Bourk, 1998, p. 113). Products and objects have meanings independent of their functional uses; therefore the key to understanding sub-culture is to understand how consumers accrue symbolic meaning and construct an identity with their products and services consumed (Velliquette, 2000).

Many authors have defined sub-culture to mean group share common norms, attitudes and values through symbolisms or other communication methods (Chang & Huang, 2005; Velliquette, 2000; Heslop, Papadopoulos & Bourk, 1998; Schouten & McAlexander, 1995; Kozinets, 2001; Grier & Brumbaugh, 1999; Brumbaugh, 2002; Rhoads, 1997; Quester, Neal, Pettigrew, Grimmer & Davis, 2007; Kotler, Brown, Adam, Burton & Armstrong, 2007). The proposed definition of sub-culture of consumption is:

A distinctive subgroup of society that self-selects on the basis of a shared commitment to a particular product class, brand or consumption activity. Other characteristics of a sub-culture of consumption include an identifiable, hierarchical social structure; a unique ethos, or set of shared beliefs and values; and unique jargons, rituals, and modes of symbolic expression (Schouten & McAlexander, 1999, p.43).

Some companies and mainstream markets try exceedingly hard to avoid being associated with certain sub-cultural behaviours. The interpretation of the sub-cultural cues by consumers within the dominant culture may be limited, and therefore the negative or stereotypical associated (Brumbaugh, 2002). Such sub-cultural avoidance can severely affect most companies' primary aim of gaining profit, which places marketers in a dilemma; stick by the mainstream market or pursue the growing sub-cultural target. For example Subaru is a company that targets the gay market openly (Donaldson-Evans, 2004). However Jaguar's attempt at specifically targeting the gay market in 2005 in gay media and publication had met with strong protests from AFA (American Family Association) which threatened the company (Ford) in widespread call for boycott by the 'conservatives' (Keegan, 2005). This leads us to the importance of symbols and cues and its significance in sub-cultures.

Sub-Culture Symbolism in Consumer Behaviour

Symbolism differentials exist between cultures and sub-cultures, but also within members of the same sub-cultural community. Some authors believe symbols are adaptable to multiple social uses and can be used for different individuals in different ways (e.g. Burke, 1968; Rothenbuhler, 1998, Suter & Daas, 2007). Even though individuals may assign 'personal meanings to symbols, those meanings are still reflective of and in reaction to the culture in which the individuals exist' (Suter & Daas, 2007, p.178). In the context of the gay community, a piece of jewellery worn may mean differently for the same sub-culture. In this case, indications of being gay can mean a man with an earring on the right ear lobe or if he wears a ring on his right little finger; confusion still occurs within the same community regarding the signals. Symbolisms like such can be used by marketers as identification markers to effectively communicate their brand and products through common sub-cultural cues. However symbolisms expressed can be misconstrued, which results in deconstructionism and the need of value creation.

Marketing to the gay sub-culture

Value Creation

Products and brands sell their key benefit at a price to consumers. However what consumers want is the ultimate value, which can be different for different consumers. In the gay male market, the intangible value that some men look for is the recognition and acknowledgement of gay existence and the support of their lifestyle. A t-shirt that reads, 'Heterosexuality is not normal. Just common' is perceived as value creation for the gay market as it supports the existence of gay people and dispels the notion of homosexuality being 'not normal'. Whether value creation is meant to be a tangible or intangible inclusion, it is important in providing what the customer wants.

Value Co-Creation

Co-creation is the joint creation of value by the organisation and its customer (Boyle, 2007; Prahalad & Ramaswamy, 2004). This reinforces the concept that consumer research is important for new product development as consumer input to co-create value with companies is imperative. This also places consumers into a position of power rather than that of companies pushing their products to the market, but rather the market pulling the products through from companies. According to Gentile, Spiller and Noci (2007) customer experiences and create value from interactions between customer and product, company or organisation. From the customer point of view, value perception and value expectation depends on the subjective responses and experience of the consumer. From the company point of view, value proposition and value realisation are generated from the sets of interaction between the customers and the company, with effect on performance measures such as profit or sales as well as on intangible assets of the company, such as brand equity (Gentile, Spiller and Noci, 2007). In this concept, customer experience and exchanged values are merged with the mutual relations and the interrelations with the company and consumer (Gentile, Spiller & Noci, 2007, p.399).

Sub-cultural behaviour and practices are different from the dominant culture and therefore can be difficult to interpret and understand. Therefore the value co-creation will be a distinct advantage for companies to be involved so as to better serve the target gay male market. For example the inclusion of gay themes or characters in comic books or novels as an avenue to co-creating value among young gay readers, as a method of positive reinforcement.

Conclusions

It has been identified that the gay market is attractive to marketers; consequently, sub-cultural understanding is important in creating value and technology adoption. With research showing a higher than average interactive technology adoption and use among gay males, marketing with the use of technology is highly feasible and desirable (Lillington, 2003). The primary concern, as mentioned in the key research question, is the approach to getting the attention and loyalty of the gay market, and to avoid a complete negative attitudinal change from the non-gay market. Is it possible to target the general market and yet be able to communicate explicitly to the gay market, using traditional marketing methods as well as new interactive

media? Figure 1 shows the conceptual interaction between the overall market and organisations, and the use of mainstream and interactive media (e.g. Internet). The desired outcome would have organisations marketing their brands/products through understanding the gay male sub-cultural, and in return positive consumer reactions from the gay male market. Consequentially the non-gay market will draw positive or neutral consumer reaction. Although interactive media is widely adopted in society, it may not be the ideal channel of communication. According to Brumbaugh (2002), despite growing interactive media and one to one marketing options traditional media is probably the most practical of choices in marketing and advertising. The key to success lays therein the use of cues that have ‘a high probability of activating the desired shared knowledge among members of the target market’ (Brumbaugh, 2002).

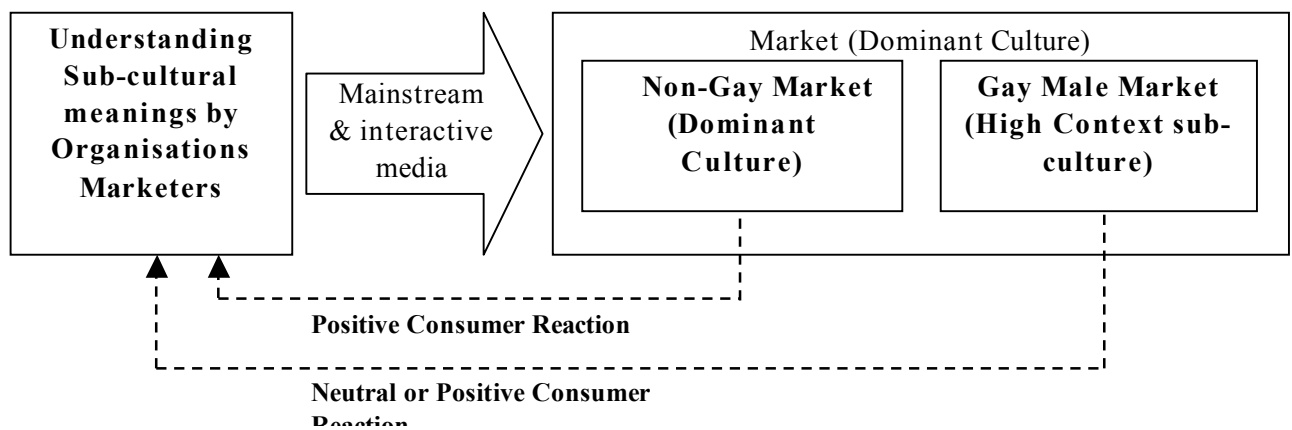


Figure 1 Model of Gay sub-culture Marketing Strategy: Contextual marketing targeting gay market using mainstream channels without losing non-gay market

Future Research

From a marketing perspective this paper has many potentials and implications for future studies. Future empirical research in the gay male market could include research questions such as:

- How do marketers understand sub-cultural perceptions of brand meanings?
- How can the sub-cultural symbolisms be layered into marketing?
- How do marketers target the gay male market without ostracising the mainstream market?
- Do gay male men want to be targeted differently?

With research showing that there is high interactive technology adoption among gay males, should traditional media be the key communication channel? Or should the potential of interactive media be examined? Additional research could explore aspects such as:

- To what extent do organisations adopt interactive technology marketing to the gay market?
- How do organisations effectively use interactive technology to target the gay market?

These future research findings will provide insights to organisations developing strategies in targeting specifically the gay market, alongside the mainstream markets.

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