



# More marketing aimed at gay consumers

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By Jack Gruber, USA TODAY

Hospitality consultant Andrew Freeman advises hotels and restaurants on marketing to gay consumers. One of his clients is KimptonHotels & Restaurants Chief Operating Officer Niki Leondakis.

What's more, dozens of cities that didn't cater to gay travelers decades ago — including Miami, Dallas, Philadelphia, Phoenix, even Bloomington, Ind. — are wooing gays to their hotels, restaurants and nightclubs.

Why now?

"We're at a tipping point, with gays coming out in society and business," says Andrew Freeman of Andrew Freeman & Co., a hospitality and restaurant consultancy in San Francisco. "All of a sudden, we've become a great market for all industries to go after."

Recent research, based on U.S. Census data, shows that gays and lesbians live in virtually every county in the USA and aren't segregated in big cities and "gay ghettos" such as San Francisco, New York, West Hollywood, Calif., or Provincetown, Mass. And millions are smart, technology-savvy consumers and partners with dual household incomes and no kids.

"We have more discretionary income, and we love to spend our money on travel and shopping," says Thomas Roth, president of Community Marketing, a gay market research firm that recently hosted a gay tourism conference here. "That's really opening the eyes of Corporate America."

The gay market is drawing attention from:

•**Companies.** Travel industry-related firms from United Airlines to Travelocity have stepped up their marketing to gays. ABC Carpet & Home in New York has a gay wedding registry for same-sex partners. Wal-Mart ([WMT](#)) offers seminars to employees, called "Why Market to Gay America."

At American Airlines ([AMR](#)), managers George Carrancho and Betty Young head a team that markets to gay travelers and small businesses. The airline sponsors community events and offers a gay-oriented website ([www.aa.com/rainbow](http://www.aa.com/rainbow)) with travel deals, an e-newsletter, podcasts and a gay events calendar.

American has focused on gay consumers since 1994, when a gay manager persuaded former CEO Robert Crandall that gay travelers were an untapped market. Crandall agreed. Since then, the company has enjoyed annual, double-digit revenue growth for gay customers.

"We're committed to this market," Carrancho says.

•**Cities and tourism bureaus.** In years past, local governments and tourism offices — aside from San Francisco and a handful of other cities — "politely ignored" gay travelers and businesses, Roth says.

By Edward Iwata, USA TODAY SAN FRANCISCO — During what some gays jokingly call "the dark ages" a decade or two ago, companies shunned the gay market out of ignorance or fear of a backlash. Many cities and convention-and-visitors bureaus overlooked gay travelers. Marketing people lacked hard data to target gay consumers nationwide.

Today, the market for gay and lesbian consumers is highly coveted and hitting the mainstream in a huge way, say consultants, marketing professionals and executives.

The 16 million gay consumers age 18 and older in the USA boast \$641 billion in buying power, or cash to spend after taxes, reports Witeck-Combs Communications and Harris Interactive.

And corporations and local governments know it.

Last year, 175 *Fortune* 500 companies — airlines, automakers, financial firms, retailers and others — actively courted the gay dollar through advertising, compared with 19 in 1994, reports the *2005 Gay Press Report* by the Prime Access advertising firm and Rivendell Media Co.



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Now, dozens of cities and convention bureaus are going all out to lure gay visitors. They're spending millions of dollars on print, TV and online advertising. They're showcasing cultural and film festivals, gay parades and gay-friendly hotels and restaurants.

In Miami, tourism officials — downplaying Florida's old image as a retirement site — use splashy travel literature and commercials to showcase the region's nightlife, museums, the performing arts and ethnic neighborhoods. They work closely with the Miami-Dade Gay & Lesbian Chamber of Commerce, whose travel guide reads: "Miami: Diversity Celebrated Daily ... Come feel the vibe."

"Gays are good for business and good for our community," says George Neary, director of cultural tourism for the Greater Miami Convention & Visitors Bureau. "The partnership works."

•**Mainstream marketing.** Many more businesses engage in crossover marketing, advertising not only in gay media outlets, but also mainstream ones.

Frances Stevens, founder and publisher of lesbian magazine *Curve*, jokes that the new ads are much classier than the old ones, which featured brawny, hairy men toting beers.

Advertisers are much more sophisticated about the buying habits of gays and lesbians. They know, for instance, that many lesbian couples live in the suburbs, raise children and are very loyal to particular brands, whether cars, cellphones or clothing.

"The old image of lesbians wearing flannel and eating granola bars is not an accurate picture of the market," says Stevens, whose current issue of *Curve* features advertisers Showtime, Pepsi and Washington Mutual.

At Kimpton Hotels & Restaurants, a San Francisco-based chain of boutique hotels, consumer research has found that straight and lesbian businesswomen and vacationers share similar values, lifestyles and hobbies, Chief Operating Officer Niki Leondakis says. They like spas and fitness offerings, classy interior décor and personal service from friendly staffers. They prefer to spend on companies that support women and give to non-profits. Also important: personal safety and good security at hotels.

Kimpton offers getaway packages and many other popular promotions to lesbians and straight women — a large and growing segment of their regular guests.

"The market has enormous potential that just now is coming to light," Leondakis says.

Companies that cater to gays and lesbians still risk a backlash from fundamentalist religious groups, which have called for boycotts of companies that market to gays, donate to gay non-profits or portray gays as "normal" families in ads.

In recent years, Ford Motor, Walt Disney, Kraft Foods, Procter & Gamble and other companies have felt the ire of the American Family Association and other fundamentalist groups.

Despite the potential for controversy, a recent survey by Opinion Research and Fleishman-Hilliard found that 68% of Americans would still buy from companies that marketed to gays.

Demographers have found that, contrary to old stereotypes, gays cut across all lifestyles, ethnic groups and generations, says Bob Witeck, head of Witeck-Combs and author of *Business Inside Out: Capturing Millions of Brand-Loyal Gay Consumers*.

Many are "early adopters," or consumers who love new technologies, from the latest laptop computers to the flashiest personal digital assistants.

Gary Humbarger, 44, a gay copywriter, travel adviser (<http://travelcoach.blogspot.com/>) and avid online shopper, loves the special touch from companies.

On a recent trip with his partner to Santa Fe, he rented a car from Budget and was pleased to learn that he didn't have to pay the typical charge for an extra driver. Why not? Because Budget treats gay partners like married spouses.

"If a company has a good record with gays, I'm certainly going to remember that," Humbarger says. "I speak with my dollars."