Targeting a “Dream Market”

Gaining a Share of the $70B LGBT Travel Market

Presented by Ed Salvato at Discover New England’s 17th Annual Tourism Summit & International Marketplace, March 27, 2012
(Berkeley Room)
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- LGBT travelers: An untapped dream market
  - LGBT = Lesbian, Gay, Bisexual, Transgender
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- Trends and insights

Please ask questions!
Ed Salvato
Global gay travel expert

- Presented LGBT travel and tourism in Vermont, Prince Edward Island, Buenos Aires, Florianopolis, San Francisco, San Diego, Washington, D.C. and elsewhere, including:
  - PRSA, DMAI, IGLTA, CMI
  - NY Times, Los Angeles Times, Boston Globe, Miami Herald, Philadelphia Inquirer and other travel Shows

- Board member, International Gay & Lesbian Travel Association (IGLTA; IGLTA.org), the leading organization in the global LGBT tourism industry
  - Important organization to join
Writer, editor, radio personality

- Over 14 years editorial experience
  - Currently editor in chief of GayTravelist.com, a new e-zine launching June 2012
  - Previously editor in chief Out Traveler, Out & About, Gay.com Travel, Planetout.com travel

- On-air travel expert Sirius/XM, Proud FM

- Co-author of Gay Tourism Marketing book (international edition; publication 2013)
Consulting work

- Nearly three years consulting
  - Solo practice (LGBT marketing/communications and mainstream social media)
    - Philadelphia International Flower Show (TheFlowerShow.com)
    - Philadelphia International Festival of the Arts (PIFA.org)
    - Wawa Welcome America Independence Day celebrations.
    - Marriott Resorts Hawaii
    - Prince Edward Island
    - Provincetown for Women
    - Community Marketing, Inc.
  - In partnership with OutThink Partners
    - LA INC. (DiscoverLosAngeles.com)
    - Jumeirah Essex House, NYC
    - Chelsea Pines Inn, NYC
    - LAN Airlines, NYC, Florida
    - Union Bank, California
LGBT Travelers: A Dream Market

- Business potential
  - An *aha!* moment
- Size, buying power, and behaviors
- Economic resiliency
- Brand loyalty
- Demonstrated “Influencers”
Leisure market

# annual LGBT visitors: 1M
Annual spend: $1.2B

Ft. Lauderdale’s 360-degree approach spans many strategies, including honeymoons

Sunny.org/visitors/glbt-travel/honeymoon/

Source: Fort Lauderdale Convention & Visitor Bureau

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With new research from Community Marketing, our goal is to increase the destination’s share of the GLBT market by working with media, meeting planners, sports groups and travel professionals to focus on increasing “gay-stream” room nights.

**OBJECTIVES**

- Increase the destination’s share of the GLBT group market.
- Increase domestic and international gay travel to GFL.
- Use market research to understand the motivators to vacation and group business and the barriers to travel to GFL.
- Promote Greater Fort Lauderdale as a diverse, modern and affirming destination for a younger demographic.

**STRATEGIES**

- Showcase the diverse, welcoming destination in all collateral.
- Enhance new Mild to Wild mobil site to engage hi-tech users.
- Produce innovative online advertising campaign.
- Add video to magazine and guidebook advertising.
- Attend ITB, Orlando Gay Days, Community Marketing, IGLTA.
## Business Potential

### Weddings/honeymoon market

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>450</td>
<td>All weddings in Provincetown, MA in 2010</td>
</tr>
<tr>
<td>405</td>
<td>Same-sex weddings 2010 (90% of total)</td>
</tr>
<tr>
<td>30</td>
<td>Weddings in 2004 prior to marriage equality</td>
</tr>
<tr>
<td>530</td>
<td>Marriage licenses issued Jan-Oct, 2011</td>
</tr>
<tr>
<td>$5,000-$10,000</td>
<td>Conservative estimate of cost per wedding/celebration</td>
</tr>
<tr>
<td>$3.3 M</td>
<td>Revenues gay weddings generated in 2010</td>
</tr>
</tbody>
</table>

*“The wedding business continues to grow and we see a steady increase going into the 2012 season.” Tom Walter, owner of the Brass Key*
Business Potential

Group market

Example: Las Vegas group, convention business

In 2010
Number of room nights LGBT meetings: 83,000
Non-gaming revenue: $25M (yes million!)

In 2011
Just one of several examples:
OutServe non-gaming rev $200K

In 2012
Projections for just three LGBT sporting events: 4,500 players
Non-gaming revenue expected: $3M
Square feet of meeting space: 700K
Business Potential

Convention market

Example: San Francisco convention and ancillary business

**IGLTA Convention (2010)**
Number of attendees at peak: 600
Rooms occupied at peak: 350
Direct spending*: $670K
*(According to Visit San Francisco)*

**NLGJA Convention (2010)**
Number of attendees at peak: 600
Rooms occupied at peak: 113
Direct spending*: $200K

*NLGJA: National Lesbian & Gay Journalist Association (NLGJA.org)*
Size and Buying Power

- 6.8% of the U.S. adult population identifies as gay, lesbian, or bisexual—approximately 15 million people.
- There are over 3 million same-sex households in the U.S.
  - 99.3% of U.S. counties include same-sex couples
- Twice as likely to have graduated from college

*Sources: Community Marketing, Inc., Harris Interactive’ James Hipps, “The Power of Gay.”*
Twice as likely to have an individual income over $60,000
Twice as likely to have a household income over $250,000

<table>
<thead>
<tr>
<th>Demo</th>
<th>Gay men</th>
<th>Gay women</th>
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<tbody>
<tr>
<td>Median HH income</td>
<td>$83,000</td>
<td>$80,000</td>
</tr>
<tr>
<td>Singles</td>
<td>$62,000</td>
<td>$52,000</td>
</tr>
<tr>
<td>Couples together</td>
<td>$130,000</td>
<td>$96,000</td>
</tr>
<tr>
<td>%HH &gt; $100,000</td>
<td></td>
<td>35%</td>
</tr>
</tbody>
</table>
Size and Buying Power

- Fewer than 25% of gay men and lesbians live in households with children
- As a result, the LGBT market has more disposable income...

“Double Income No Kids”

*Source: Community Marketing, Inc., Harris Interactive*
Market Size and Buying Power

**LGBT buying power was estimated to have reached $845 billion in 2011**

*Source: Witeck/ Harris Interactive*
The LGBT Travel Market

- $70.3 B
  - This is the amount estimated to be spent annually by gays and lesbians on domestic travel

- $6,300 total ($1,250 per trip)
  - This is the amount the average respondent spent on travel in the last year
  - 33% more than heterosexuals on average

- $800 vs. $540
  - This is the amount gay men spent on their last solo leisure trip compared to heterosexuals
  - 200% to 800% more
    - Amount spent on alcohol on gay cruises compared to straight cruises.

*Source: Community Marketing, Inc., Harris Interactive*
The LGBT Travel Market

- 5 vs. 1.75
  - Annual overnight leisure trips taken by U.S. LGBT travelers compared to all respondents.
  - 23% took more than 5 trips

- 71% vs. 25%
  - Percentage of gay U.S. respondents holding valid passports compared to all respondents.

- 47%
  - Percentage of gay respondents using passport in past year.

- 14% vs. 7%
  - Gay U.S. respondents planning to travel overseas soon compared to all respondents.

- 85% vs. 64%
  - Percentage of gay U.S. respondents who take annual vacations compared to all U.S. respondents.

*Source: Community Marketing, Inc., Harris Interactive*
LGBT Market in a Recession

“Gay consumers appear to consistently budget more discretionary dollars towards travel, even during economic downturns” – Jim Quilty, VP for Travel & Tourism Research (TTRA.com).

- “Find less expensive activities”
  - 51% gay vs. 61% heterosexuals agree
- “Find less expensive meal options”
  - 42% gay vs. 60% heterosexuals
- “Stay with friends or family instead”
  - 26% gay vs. 39% heterosexuals
- “Take a ‘staycation’ instead of vacation”
  - 18% gays will stay home vs. 32% of heterosexuals

*Source: Community Marketing, Inc., Harris Interactive*
LGBT Market - Resilient

*Source: Witeck/Harris Interactive

March 27, 2012  EdSalvato.com
Brand Loyal

“We need to engage the consumer and do something experiential, something relevant to their lifestyle. We have a long standing relationship with the LGBT community, but we don’t take it for granted. We have to constantly innovate if we want to stay relevant.”

-Jeffrey Moran, Vice President of Public Relations, ABSOLUT
Brand Loyal (general)

- 4 out of 10 gay consumers prefer purchasing products from companies that advertise to gay and lesbian media.
- 55% of LGBT consumers choose to do business with companies that are committed to the diversity/equal treatment of gays.
- 70% of gay and lesbian adults would pay premium for a product from a company that supports the LGBT community.
- 78% of gays and lesbians and their friends or relatives would switch brands to companies that are known as LGBT friendly.
- 42% Say ads read online influence purchase decisions for one product over another, vs. 32% of all consumers.
<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
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<tbody>
<tr>
<td>74%</td>
<td>More likely to visit destinations where tourist office has gay marketing campaign</td>
</tr>
<tr>
<td>37%</td>
<td>Would ‘reward’ destinations advertising as gay friendly by spending more money when they visit</td>
</tr>
<tr>
<td>33%</td>
<td>Would stay longer at such destinations</td>
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*Gay/lesbian travelers like to be invited and to feel warmly welcome.*
Influencer Market

- Companies are realizing the potential of the LGBT market to make money and are seeking to get brand loyalty from LGBT consumers
- Gays and lesbians are early adopters of technology, spend more time on the Internet, blog more, travel more often and longer

*Source: Witeck/Harris Interactive*
Influencer Market

- 24% of gays and lesbians keep up with latest styles/trends versus 17% of non-gays
- 55% of gays and lesbians read blogs versus 38% of heterosexuals who read blogs
- 55% of gays and lesbians are on Facebook versus 46% of heterosexuals
- 20% of gays and lesbians are on Twitter versus 12% of heterosexuals

*Source: Harris Interactive*
The LGBT Market Can…

- Build shoulder seasons
- Attract new customers
- Help marketers stay competitive
- Increase repeat visitation
- Improve a marketer’s image
  - Signal you appreciate diversity, value creativity, promote acceptance
- Steal travelers!
- A key to getting more straight tourists
  - Gays are trendsetters, a stereotype you can play to your advantage
- Spend more/do more
OK, I Want Some

- It’s obviously lucrative.
- It can help you achieve your marketing goals.
- But it’s not as easy as just wanting this segment.
- It’s a unique market in many ways that can hide in plain sight.
- There are many characteristics and nuances to learn.
How to Gain a Share of Market

1. Know your audience
2. Tailor your message and communications channels for your audience
3. Build a relationship with the community
4. Reach out to the LGBT market via a variety of channels and touch points
Know Your Audience

- The LGBT market is NOT a single, monolithic market
- There are various sub-sectors of the LGBT community, depending on:
  - Race
  - Gender
  - Age
  - Sexual Identity
  - Marital status
  - Geographic location
- Determine how your product or service fits within the LGBT market
Defining “Gay Friendly”

Consumer perspective

- A place where gay visitors and same-sex couples are known to be safe from harassment, intimidation, threats or physical violence ("a place where I can hold my partner's hand in public")
  - New England considered super gay friendly
- Is a city or community known to be culturally welcoming and to support diversity and LGBT civil rights
- Positive word of mouth from gay friends, relatives, and colleagues
- Has gay nightlife, gay clubs and/or gay bars
- Is located in a state, province or part of a country known to be culturally welcoming and to support diversity and LGBT civil rights.
  - Caution: New Hampshire may overturn gay marriage legislatively sending out a “you are NOT welcome” sign.
Defining “Gay Friendly”

Marketer’s perspective

- Make an authentic invitation to the LGBT community.
- Conduct your business in a manner that embraces people’s diversity, making everyone feel welcome.
- Your business policies don’t penalize your LGBT customers or employees.
- Example: Gay car renters don’t like it when rental car companies charge same-sex partners a supplement straight married couples wouldn’t have to pay, preferring to spend their ‘pink dollars’ at a gay-supportive company.
- “Gay welcoming” is another phrase, meaning you acknowledge gay consumers and welcome their business.
  - This is another excellent phrase used to describe the same process of acknowledging and welcoming gay customers.
Tailor Your Message

- Tailor your message to your gay and lesbian audience
- Use appropriate language and images in all communications and advertising materials
- Determine the best communication channels for this particular demographic (social media, online, community media, etc.)
- Follow our LGBT communications Rules of Thumb (at the end of this presentation)
Build Relationship with Community

1. Build relationships with key influencers and contacts in the LGBT community. Examples:
   - Vermont Tourism working with Vermont Gay Tourism Association to help promote LGBT visits
   - GPTMC helping form and partnering with Gay Tourism Caucus

2. Support organizations and causes that are important to the gay and lesbian community, such as Gay Pride, civil rights and HIV/AIDS

3. Leverage events and face-to-face interactions

4. Advertise in LGBT media and engage LGBT reporters and editors

5. Stick to your word!
Multiple Touch Points

- Take a multi-dimensional approach to engaging this market
- PR and media relations are important, but don’t forget other valuable and cost-effective tactics:
  - Events
  - Partnerships and sponsorships
  - Online and social media
  - Marketing and advertising in LGBT media
  - Sales channel support
Successful Tactics

- Targeted media relations
- Sponsorships and partnerships
- Events
- Advertising and marketing
- Online and social media
- Internal brand alignment
Targeted Media Relations

- Heavy consumers of media and information.
- PR savvy and responsive to positive portrayals of companies and brands that they find in LGBT publications.
- Public relations is also important for general awareness-building.
  - Also consider targeting LGBT journalists at mainstream media outlets
  - Leverage NLGJA and other similar organizations
  - Great resource for appropriate words to use when writing for, to and about this market:
  - NLGJA’s Stylebook on LGBT Terminology: http://www.nlgja.org/resources/NLGJASylebook.pdf
Relationships with Key LGBT Media

- Essential to develop and update LGBT media database
  - Continually changing
  - Small world of really key players (many of whom I’ve hired, worked with, or worked for!)
- Pitch appropriate product to the right media
  - Example: Hotel Fauchère
- Know their publications, features, columns, etc; how they like to be communicated with
  - Example: OutTraveler’s Top 5; Edge travel awards; GayCities blog
Press Trips/Media Fam

- Press trips can work for right product
  - Air can be barrier
  - Partner with airline
- Can organize “in town getaway” for local media (cost effective)
Sponsorships and Partnerships

- The LGBT market is very community oriented
- Become a supporter of an LGBT organization or sponsor their events
  - NGLCC, IGLTA, dot429, GLAAD, HRC
- Sponsorships are a cost effective way to gain excellent visibility with a targeted audience
- Sponsorships and partnerships enable companies to build their brand, raise their profile, and generate sales within the LGBT community
- Leverage partnerships with organizations for ongoing marketing opportunities through their communications channels

The HRC, Human Rights Campaign (HRC.org)
Events

- The gay market is “high touch” and values opportunities for face-to-face interaction with companies that are targeting them for their business.
- Participate in Gay Pride, LGBT film events, gay women’s events, bear weekends, ski weekends.
- Host or sponsor LGBT activities and events that will give you opportunity for “face time” with this segment. These can include:
  - LGBT Influencer Events
    - Examples: Jumeirah Essex House, LAN Airlines
  - Host gatherings of gay and lesbian organizations
Advertising and Marketing

- Advertising in niche publications is often much more cost effective than advertising in general market media
  - Plus, you support the media that’s important to this community, which is “putting your money where your mouth is.”
- Engage your LGBT customers in the media outlets that specifically target them
- Customize your ad and message accordingly
- Talk directly to your LGBT consumers
Online and Social Media

- Early adopters of technology and high users of the Internet, and very active in social networking channels
- Excellent channel for developing an LGBT “fan” base and marketing the company virally.
  - Develop LGBT pages/profiles on Facebook, Twitter, LinkedIn Travel Groups; join dot429
  - Facebook Sweepstakes work, example: Ho’olei at Grand Wailea Resort, Maui
- Consider developing an LGBT microsite so that you have a landing page for LGBT customers and a way to track their numbers and interact with them directly
  - Example: Kimpton In-Touch Loyalty Program
Internal Brand Alignment

- When a company commits to engaging the LGBT market, it can’t just put on a gay-friendly marketing image … it has to deliver on that promise internally.
- Develop policies that promote diversity and educate employees on the best way to interact with LGBT customers
  - Code of Conduct
  - Training Guides
  - Scenario Planning
- Ensure that these policies get communicated and implemented internally
- HRC’s Corporate Equality Index
  - Rating of large U.S. employers and their policies and practices pertinent to lesbian, gay, bisexual and transgender employees
Power of the Invitation

- No to serving in the military (different around the world)
- No to getting married (different around the world)
- No to coming out (personal decision)
- No to being open in religion (depends on the religion)
- No, we don’t want you! (most destinations/hotels)
- Yes! We welcome you! (words, pictures, action)
Communications Rules of Thumb

1. Use the right tone
2. Talk directly to your LGBT customers
3. Doesn’t have to be overly gay
4. Show, don’t tell
5. Use gay-inclusive imagery
6. Show company values that resonate with LGBT values
7. Don’t try too hard
Communications Rules of Thumb

- Use the right tone
  - This ad is straightforward and fun without being condescending
  - Recognizes the uniqueness of the LGBT market
  - Talks about the gay-friendliness of the destinations
  - References LGBT organizations such as IGLTA
  - Uses gay-inclusive imagery
Communications Rules of Thumb

- Talk directly to LGBT customers
  - This ad.. Uses gay language and imagery
  - Incorporates gay symbols such as the rainbow colors in a subtle way
  - Announces a Gay Pride package targeted directly at LGBT customers
  - Talks directly to LGBT consumers
  - Note Wynn/Encore offers up to 5 LGBT-specific hotel packages
Communications Rules of Thumb

- Doesn’t need to be overtly gay*
  - *But it does need to make clear you understand and appreciate the gay market.
  - This ad... Is actually one of Las Vegas’ mainstream ads, but it works for the LGBT market as well
  - There’s nothing overtly gay about this ad
  - The caption “Take a break to the place where anything goes” invites LGBT guests to come to Las Vegas and be themselves – a value that’s important to this market
Communications Rules of Thumb

- Show, don’t tell
  - This ad.. Was implemented after California legalized gay marriage in 2008
  - There’s nothing obviously “gay”
  - It does say “we’re gay friendly”
  - But it demonstrates that the company is aware of issues of importance to the LGBT community
  - It commends the LGBT community on their civil rights victory
  - It demonstrates that it’s a gay-welcoming property by referencing its Honeymoon Packages
Communications Rules of Thumb

- Use gay-inclusive imagery
  - This ad.. Uses images of same sex couples and groups, as well as an individual, combined with general destination and activities shots
  - The tag “Open Air and Open-Minded” illustrates the affinity of the destination with the LGBT market
Communications Rules of Thumb

- Show company values that resonate with the values of the LGBT community
  - This ad. Takes a boring product – insurance – and markets it on an emotional level, making an emotional connection to LGBT consumers
  - It ties the company name “Progressive” to progressive values, something that aligns and resonates with the LGBT community
Communications Rules of Thumb

- Don’t try too hard or stretch too far to make a connection to the LGBT market
  - This ad... Was found on the back inside cover of the Advocate – an expensive ad buy!
  - But... it does not speak to the LGBT market directly
  - It looks like it belongs more in Car and Driver than in the Advocate
Tips

- Clever ads tend to resonate
  - Like these which are fun and clever in a wink-and-nod way.
  - Not overtly gay but LGBT audiences get it
Tips

- Classy ads resonate, too
  - This one is a mainstream ad that works in the LGBT market because its classy and sexy
Tips

- Be smart in the usage of gay symbols
  - Rainbow flags, pink triangles, etc. can feel cliché
  - If used, be clever!
Trends and Insights

- Gays and lesbians are becoming more “mainstreamed,” and in some respects more challenging to target as a single, monolithic bloc
  - Important for hotels, destinations, especially

- LGBT media fracturing
  - Gay/lesbian travelers consume mainstream and gay media

- Political and civil rights issues – from marriage equality to workplace non-discrimination – continue to have an impact on gay people’s lives and their purchase decisions
  - Society becoming more and more accepting of LGBT equality and same-sex marriage

- Optimism in the LGBT community continues to run high, from general consumer confidence to the perceived position of gays and lesbians in American society, and more gays and lesbians are ‘coming out’ at a younger age

- More gay men and lesbians are having babies
  - Also important for hotels, destinations
Ed Salvato

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- 917-846-7177 (cell)
- A useful resource:
  - Gay and Lesbian Tourism: The Essential Guide for Marketing