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TOURISM AND HOSPITALITY OPPORTUNITIES IN THE LGBT MARKET: RESEARCH, INSIGHTS & TRENDS

Reaching out specifically to the lesbian, gay, bisexual and transgender (LGBT) community is nothing new. It's estimated that the annual spending power of LGBTs is roughly \$800 billion in the United States alone, with about \$100 billion/year spent on travel. Marketers cannot afford to neglect this increasingly important niche market.

Over the past 20 years, industries ranging from automotive to finance to real estate to retail, and even funeral homes have joined the conversation to increase market share. The tourism and hospitality industry is no doubt the forerunner in this market segment; most major hotel groups, numerous destinations and several airlines have been actively courting LGBTs through the past 20 years.

It's an established fact that LGBT consumers travel more than the general market, and the numbers continue to grow regardless of economic ups and downs. According to the findings of the Community Marketing & Insights (CMI) 18th Annual LGBT Travel Survey, 2013 saw increases in LGBT leisure travel over the previous year, with hotel guests spending an average 57% more than their general market counterparts. Leading destinations such as New York City, Fort Lauderdale and Las Vegas are visited frequently by LGBT travelers, due in part to their longtime support of the community, known "gay-friendliness," and targeted marketing campaigns. Emerging destinations, from Richmond, VA, to Grand Rapids, MI to Haines AK are opening to welcome LGBT visitors.

However, when tourism and hospitality industry leaders consider approaching the LGBT market, it's sometimes a one-size-fit-all strategy. The LGBT community is a diverse segment, comprising people of different ages, ethnicities, religious beliefs, budgets, interests, etc. In order to create an effective LGBT marketing campaign, marketers should look into the needs of *targeted segments within LGBT*.

To emphasize this point, following are some sample misperceptions about LGBT travelers:

MISPERCEPTION: The LGBT market is one market segment.

There are significant differences within LGBT by gender and age . According to CMI's 18th Annual LGBT Travel Survey, gay and bisexual men are far more likely to describe themselves as urban core travelers (36% vs. 16%) while lesbian and bisexual women favor outdoor adventure (26% vs. 17%). And when analyzing by age, older LGBTs are primarily warm weather travelers while younger LGBTs are more likely to describe themselves as budget, urban core, and outdoor adventure travelers.

Diversity marketing specialists may consider that LGBT African Americans are reached through African American marketing channels, which is to true to a point. But in a recent CMI study on diversity segments within the LGBT community, African American, Latino and Asian American LGBTs report similarly: Each community feels more positively towards companies that outreach to their specific communities, and all of these segments feel that corporate America does not do a good job in their outreach to LGBT communities of color.

MISPERCEPTION: The LGBT Market Consists of "DINKs."

Stereotypically, LGBTs are targeted as "dual income, no kids" (DINK) consumers. However, with the victory of marriage equality in the past decade, the trend is shifting. At the time of this writing, marriage equality has been established in 30 states plus Washington, D.C., leading businesses to offer products and services accordingly. What's more, the presence of children in the home is increasing among young lesbian couples. In CMI's 8th Annual LGBT Community Survey, 27% of lesbian couples between ages 30 to 44 indicated that they have children under the age of 18 at home. Moreover, when traveling with children, the majority of LGBT parents are more motivated by child-friendly destinations and hotels than by LGBT-friendly destinations and hotels. Destination and hotel marketers ought to devise appropriate strategies to accommodate the ever-changing LGBT demographic landscape.

MISPERCEPTION: The LGBT Market is a Domestic Market

With the dynamic exchange in business, academic and culture among countries over the past decade, there are emerging opportunities in outside the traditional LGBT markets of United States, Canada and

Europe. For example, China has a LGBT population of 40-70 million--bigger than many countries--and makes it a segment that smart marketers cannot afford to neglect. More than 7,500 Chinese participated in CMI's initial China LGBT Community Survey in July 2014, and contrary to the situation in the United States, lesbian and bisexual women in China are more likely than gay and bisexual men to travel both domestically (68% vs. 53%) and internationally (30% vs. 18%). So when marketing to LGBT Chinese, destinations and hotels should be aware of these and other LGBT cultural differences, and deploy strategies accordingly.

There's no doubt that the tourism and hospitality industry is further ahead of other industries in LGBT marketing. How to distinguish your hotel or destination from your competitors in the LGBT marketplace? We advise you to look at the different "segments" within the LGBT community and develop effective methodologies to reach these "segments." Even though that might take some thought, since the age, gender, ethnicity and location leads to differences among LGBT travelers, you'll find it's worthwhile when achieving the projected ROI. The need is out there. Would you assume that you can motivate a retired, white, lesbian couple living in Sedona, Arizona the same way as a single, African American, gay male young professional in Manhattan?

More information and complimentary downloads of the above-referenced studies and more are available on our website www.CMI.info.

Please also plan to attend CMI's 15th Annual Conference on LGBT Tourism & Hospitality, Bellagio Hotel, Las Vegas from Dec. 7-9, 2014. <http://www.lgbttourismconference.com>

Thomas E Roth, President
Community Marketing & Insights

The LGBT community is dynamic and diverse, reflecting the spectrum of the general population: From young to old, ethnicities, gender identities, relationship status, income, etc. Narrow marketing strategies viewed LGBT as one community, one market. However, with the sophistication of LGBT consumer research today, market leaders can identify the “segments” of the LGBT community best matched to their products and services. With our representative panel of over 70,000 LGBTs who actively engage with LGBT media, events and organizations, Community Marketing & Insights can identify and deliver the best-matched panel for your research initiative and marketing goals.

Community Marketing, Inc. (CMI) is an NGLCC-Certified LGBT-Owned Business Enterprise. We’ve been helping a wide variety of industry leaders master the subtleties of this market **since 1992**. Our unique and specialized services are based on 20+ years of experience and industry leading case studies, and include market research (online surveys, focus groups, intercepts, interviews, advisory boards, etc.), strategic consulting and corporate training.

Whether your organization is just learning about the market, or is updating its strategy, **Community Marketing & Insights** can accelerate your plans, reduce your risks and deliver *measurable* results. CMI’s proven, powerful portfolio of services helps deliver your targeted markets.

Community Marketing & Insights has earned its position as the global leader in LGBT market research and development. Through the company’s tireless efforts, “doors have opened” around the world for the spectrum of LGBT consumers. We have helped grow LGBT market recognition through research, media relations and education; and have brought opportunities to many of the world’s leading marketers.

Community Marketing & Insights projects include these and many other market leaders:

- ABSOLUT Vodka (Pernod Ricard)
- Aetna Insurance
- American Cancer Society
- Chicago History Museum
- Credit Suisse
- E. & J. Gallo Winery
- Esurance (an Allstate Company)
- Gilead Pharmaceuticals
- Hawaiian Airlines
- Hyatt Hotels & Resorts
- Japan National Tourism Organization
- Kaiser Family Foundation
- Kimpton Hotels & Restaurants
- Las Vegas CVA
- Merz Radiesse
- MetLife
- MillerCoors Brewing Company
- NYC & Co.
- OraSure Technologies
- Prudential Financial
- Tourism Office of Spain
- Target Brands
- U.S. Government: Census Bureau and HUD (Housing & Urban Development)
- Wells Fargo Bank

And many more...

CMI'S LGBT

CONSUMER RESEARCH PANEL 2014-15

DID YOU KNOW...?

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CMI'S LGBT CONSUMER PANEL: WHAT MAKES IT UNIQUE?

- **Accurate, targeted market intelligence**

Utilizing quantitative and qualitative market research methodologies, Community Marketing & Insights helps companies better understand and more effectively reach the LGBT community. Our consumer panel provides insights through online surveys, focus groups, intercepts and more.

- **The largest, most representative panel**

With over 20 years in business, Community Marketing & Insights has developed a research panel of more than 70,000 LGBT consumers. We've partnered with media outlets and LGBT-oriented organizations and events throughout the country and around the world to recruit a qualified panel that is geographically representative of the LGBT population.

- **Candid responses, honest feedback**

As an LGBT-owned and -operated firm, we've established trust with our panelists. We speak their language and know how to communicate effectively with them. As a result, our panelists are willing to talk with us frankly and frequently, even about sensitive issues.

- **Community Marketing & Insights experience & expertise**

Since 1992, Community Marketing & Insights has provided market research, corporate training and marketing planning services to a wide variety of clients. We've provided LGBT consumer intelligence to numerous market leaders including Wells Fargo Bank, Target Brands, Prudential, Johnson & Johnson, Aetna, ABSOLUT Vodka, MillerCoors Brewing Co., Japan National Tourism Organization, Tourism Office of Spain, E&J Gallo Wineries, OraSure Technologies, Chicago History Museum, Tourism Toronto, MetLife, Hyatt Hotels & Resorts, and many other companies, as well as the American Cancer Society, Kaiser Family Foundation, IFAW, UPenn, CUNY, and the U.S. Government (Census Bureau and H.U.D.).

We also present public and custom onsite educational seminars and workshops. Community Marketing & Insights has produced or presented at LGBT marketing symposia on six continents.

Learn more on our website, www.communitymarketinginc.com



SAMPLE DEMOGRAPHICS OF USA LGBT PANELISTS

48 MEDIAN AGE

41% SINGLE/NOT IN A RELATIONSHIP
19% LEGALLY MARRIED
5% CIVIL UNION OR REGISTERED DOMESTIC PARTNER

65% COLLEGE GRADUATES INCL. BACHELORS+
75% ARE EMPLOYED
57% HHI >\$50K

5% PURCHASED A HOME IN THE PAST 12 MONTHS
8% PLAN TO PURCHASE A HOME IN THE NEXT 12 MONTHS
39% PURCHASED A MAJOR VACATION (5 NIGHTS+) IN THE PAST 12 MONTHS
46% PLAN TO PURCHASE A MAJOR VACATION (5 NIGHTS+) IN THE NEXT 12 MONTHS

44% DRINK WINE WEEKLY
42% DRINK BEER WEEKLY
49% DRINK SPIRITS OR COCKTAILS WEEKLY

PAST 12 MO. PURCHASES
17% AUTOMOBILE
15% FURNITURE
60% PERFORMING ARTS TICKETS
10% MAJOR KITCHEN APPLIANCES (\$500+)
24% LGBT FUNDRAISING GALA TICKETS

52% "LIKED" A BUSINESS ON FACEBOOK
61% READ LGBT BLOGS / WEBSITES
31% CLICKED ON A FACEBOOK AD
42% CLICKED ON A MOBILE APP AD
22% USE LGBT MOBILE APPS

66% CARE FOR PETS

SHARED OR RETWEETED A COMMERCIAL AD OR ANNOUNCEMENT 14%
TWEETED DURING A TELEVISION SHOW USING A RECOMMENDED #HASHTAG 9%
TUNED INTO A TELEVISION SHOW AFTER SEEING RELATED TWEETS 9%
USED SOCIAL MEDIA TO VOICE A POSITIVE EXPERIENCE WITH A BRAND OR PRODUCT 34%
USED SOCIAL MEDIA TO VOICE A NEGATIVE EXPERIENCE WITH A BRAND OR PRODUCT 24%

AND MORE!

LGBT Market Research:

There is a difference!

Market research studies and resulting statistics are meant to help marketers understand the LGBT communities, and influence educated decisions about their strategies and tactics. However, *not all research is the same*. **Community Marketing & Insights** methodologies and experience are distinct from those of others when considering approaches, respondent panels—and ultimately—the validity and utility of sought-after results.

WHO ARE YOU TALKING TO?

Community Marketing & Insights (CMI) has developed our proprietary consumer panel over the past 20+ years by circulating field surveys at leading LGBT events, and by partnering with LGBT organizations and media across the USA, Canada, the UK, and around the world. These partners distribute our survey invitations via print ads, web banners, email broadcasts and social networks to their memberships and/or readers. The resulting panels are highly representative of LGBT consumers who interact with the LGBT community and media. *This is important:* If your communications channels are via the LGBT media, you'll want to depend on research that represents these consumers' interests, preferences, sensitivities and motivations. CMI research is trusted by—and frequently quoted in—the *New York Times*, *USA Today*, the *Wall Street Journal*, *Forbes*, *Chicago Tribune*, *Los Angeles Times*, *Miami Herald*, *Ad Week*, NPR, CBS News, Associated Press, etc.

Other providers typically send out widely distributed panel invitations (via Yahoo, etc.), and then sort for those who trust the researcher enough to indicate that they are gay or lesbian in the context of a survey. This approach, attempting to “represent the gay community at large,” may be appropriate for direction in sociological or academic studies, but not for developing clear, representative advertising or marketing related strategies. Other researchers use lists from one or two LGBT publishers, which may skew results. For marketers desiring valid LGBT consumer insights about products, services, advertising creative and marketing strategies, these panel development approaches are not likely to yield LGBT community members who are interacting with the media where you are placing ads.

IN RESEARCH, SIZE DOES MATTER.

CMI has conducted over a hundred LGBT-dedicated research studies since the early '90s, covering a wide variety of topics, industries and interests. Through our work, we both observe and influence the trends of this market. Size does matter in the case of research. Our research panel has grown to over 70,000 qualified LGBT consumers, the largest of its kind, by far. Our 6th Annual LGBT Community Survey® study attracted over 45,000 survey participants, representing 148 countries, making it the largest such study in history. We leverage our long history / experience / expertise for your benefit, and fine-tune our portfolio of research panels, methodologies and approaches to best match your market intelligence goals.

Without access to this enormous resource of qualified LGBT consumer panelists, other companies have to compromise on the quality and demographic representation of the panel, or “reinvent the wheel” at your expense. One cannot fathom the diversity and complexities within LGBT (see below) on a small sample. And with small samples, you lose the opportunity to derive statistically-significant cross tabs on gender, geographical location, age, income, experience, product choice, etc. Can you really make the assumption that a 28 year old lesbian in Seattle has the same purchasing motivations and behaviors as a 67 year old gay man in Atlanta? Generalities and sweeping statements about “the gay market” based on comparatively small samples can distort the results of research findings, potentially wasting your investment of time and resources.

DIVERSITY: THERE IS NO “LGBT MARKET”

Community Marketing & Insights emphasizes that there is no “gay market,” just as there is no singular “Asian market.” The LGBT communities represent a broad and dynamic spectrum of interests, sensitivities, preferences and priorities. Those, plus variations in geographical location, age, income, relationship status, gender identity and more, make it even more important to discover which opportunities *within LGBT* will help you achieve your goals. Fine tuning your approaches based on highly refined and well-targeted matches within LGBT will make your outreach initiatives more efficient and cost-effective, and will significantly improve your marketing ROI.

General surveys on “the gay market” are likely to only scratch the surface of the diversity and varieties of opportunities marketers can enjoy if properly explored and understood.

continues...

TWO SIDES OF THE COIN: QUANTITATIVE AND QUALITATIVE

Since 1994, CMI has taken pride in operating the most consistent, longest-running series of LGBT community surveys in the world. But we don't stop there. *Quantitative* (data) research is one important side of a coin, but only tells half of the story. The other side of a comprehensive research initiative involves *qualitative* research, most notably derived from focus groups. We pre-qualify our focus group participants from among our survey panelists, identifying the best candidates based on characteristics such as age, gender, relationship status, geographical location, and even a propensity or history of using the client's products or services. We maintain sufficient numbers of panelists to conduct groups in most major metro areas across the USA, Canada, UK, Germany and Australia, as well as many secondary markets. We've found that the same creative, tested in different regions, often yields substantially differing results. Isn't it wise to know that—and adjust your plans—before investing in marketing campaigns? CMI is the *only* LGBT-dedicated research provider that produces and facilitates LGBT focus group studies and other *qualitative* research options. We have developed and reported on focus groups covering a wide variety of topics, plus we have operated telephone interviews, field surveys, advisory board series and multi-year customer satisfaction survey projects which can round out a comprehensive market intelligence plan.

Producing only online surveys, other research companies are telling half of the story (at best). Without actual consumer interaction, they cannot fathom the deeper insights hiding behind the bar graphs and pie charts, nor can they adequately advise you on the sensitivities and complexities that are only uncovered in qualitative research... extremely important considerations that averages and extrapolated assumptions based only on survey statistics are likely to miss.

WE DON'T OUTSOURCE!

Community Marketing & Insights maintains our own research panels and utilizes advanced, sophisticated research software. We do all of our research in-house, because nobody knows this market segment as well as we do. We never sell or rep another company's services, nor will we outsource your project to a 3rd party.

Some firms work as reps of research companies, or outsource clients' projects, and report on the results of the 3rd party's work. But without being intimately involved in every aspect of the project, from discussing the client's goals and designing the study, to building the survey, implementing it and writing the report, and without engaging directly with consumers in focus groups, it is difficult to gain the insights that can only come from CMI's hands-on LGBT research specialization spanning nearly two decades.

TRUSTED

Community Marketing, Inc., founded in 1992, pioneered LGBT consumer research. Because we are LGBT-owned and -operated and well known in the community, we have earned the recognition and trust of our survey panelists. LGBT consumers recognize that we use research data to build corporate relationships, which ultimately lead to better conditions for LGBT employees, social progress, and sensitive communications.

PROUDLY LGBT-OWNED AND -OPERATED

One of the questions in HRC's Corporate Equality Index application is whether the applicant company includes LGBT-owned suppliers when sourcing products and services. When you contract with Community Marketing, you not only gain the benefit of our long-standing leadership in this field, you are working with one of the only LGBT-owned market research providers. Community Marketing, Inc. is an NGLCC Certified LGBT-Owned Business Enterprise.

COMMUNITY CITIZENSHIP

CMI is involved in the LGBT community: We volunteer time, donate resources and raise funds for numerous community-based organizations. We also participate in the community's leading business and advocacy organizations, events and conferences, such as Out & Equal, HRC, National Gay & Lesbian Chamber of Commerce, GLAAD, NCLR, International Gay & Lesbian Travel Association, National Lesbian & Gay Journalists Association, etc. This community connection is not only the right thing to do, it is essential for initiating appropriate relationships for our clients.

VALUE

You'd think that with this kind of specialization and experience, you'd be investing considerably more for **Community Marketing & Insights** services than for research from other companies. But it is due to our specific focus on LGBT market intelligence, and the cumulative 60+ years of dedicated LGBT research among the CMI team, that we can actually keep your costs low. We are not spending your money to locate qualified survey or focus group participants, nor are we spending our time (or your money) trying to source comparative data or case studies. We've done all that over the past 20 years for your benefit. And we are not running a large operation that juggles many accounts and projects of differing scope and focus. CMI's client dedication and market specialization delivers you superior intelligence at a fraction of the cost of other firms.