

GAY MARKETING
Using The Power of Diversity

mi.st [Diversity Consulting

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■ **www.homoeconomics.com**
www.european-diversity.com

■ **Successful Diversity projects completed for organisations such as**

- Air Products, Allianz, BP, Commerzbank, Deutsche Bank, Deutsche Telekom, Ford, Hewlett-Packard, Kraft Foods, Motorola, Siemens Power Generation, Volkswagen AutoUni, Volkswagen Bank & Non-Profit-clients



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Gay Marketing: Using The Power of Diversity

1 What is Gay Marketing?

2 Why is it important?

3 Fulfilment of Segmentation Criteria?

4 The 5 P's

1 What is Gay Marketing?

		<i>Target Audience</i>		
		Homo	All	Straight
<i>Message</i>	Explicitly Gay / Lesbian	Targeted Marketing, Community Marketing	Open, innovative Brand Marketing	A short-time eye-catcher
	Neutral	Standard communication in gay context	Mass marketing	Mass marketing
	Coded Gay/ Lesbian	Subtle approach - avoiding spill-over	n / a	n / a
	Straight	n / a	Ineffective	Heterosexism

Gay Marketing: Using The Power of Diversity

1 What is Gay Marketing?

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4 The 5 P's

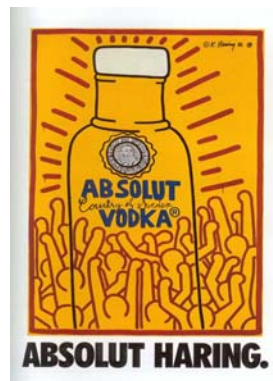
2 Why Marketing to Gay Men and Lesbians?

- There are many good reasons to think about Gay Marketing – Here are 5 of them:
 - First Mover Advantage
 - No Potential Lost
 - Necessity due to Growing Pride
 - Dominating A Segment
 - Openness As Brand Attribute

You'll Be 10 Percent Ahead

- In many segments the leading position is still vacant
- Strategic advantage through early market entry
- Credible moves lead to loyalty

American Airlines
American Eagle



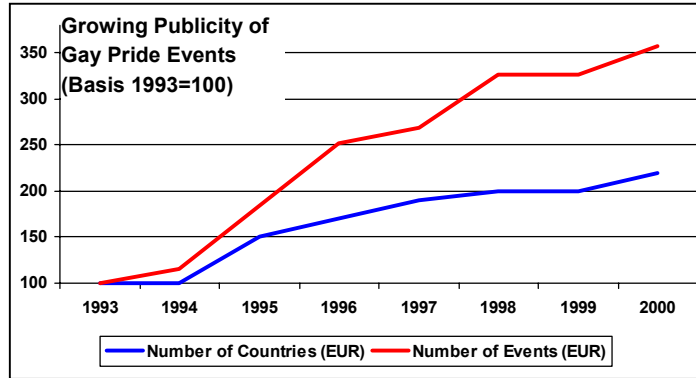
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Mainstream Marketing Does Not Reach Homosexuals



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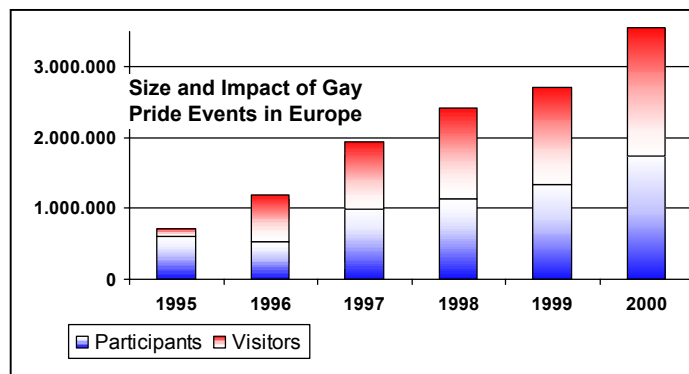
Gays and Lesbians are Everywhere



Sources: EPOA, mi.st [Consulting

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Out, Proud and Accepted



Sources: EPOA, mi-st [Consulting

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The Power of Many Niches

- No waste of energy in the competition with big mainstream brands
- Most segments are growing markets
- The combination of several niches will eventually lead to leadership



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Anticipating Future Values

- Gay men and lesbians today an accepted part of society
 - Marriage / partnership laws
 - Media coverage
 - Gay characters (soaps ...)
 - Diversity
- Large parts of the market expect companies to be open and inclusive



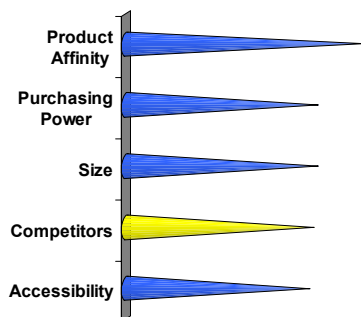
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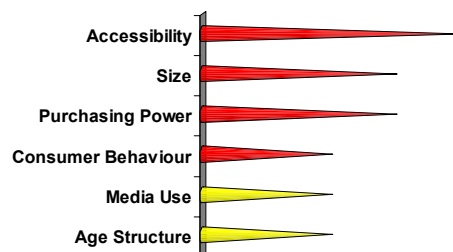
- 1 What is Gay Marketing?**
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Survey Result: Inactivity Due to Lack of Information

General Segmentation Criteria



Information Deficits re. Gay Market



Source: Survey of 40 food companies, diploma thesis

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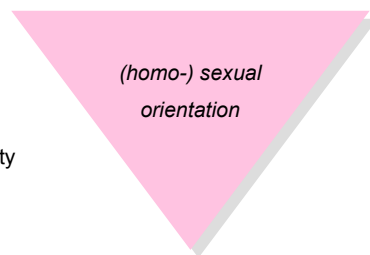
3 Do Homosexuals Qualify as a Market?

- Every market segment must fulfil specific criteria.
- Based on a survey we have identified 5 major segmentation criteria
 - Consumer behaviour (product affinity)
 - Demographics and measurability
 - Accessibility
 - Economic value
 - Strategic value-added

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Sexual Orientation is Fundamental

Coming Out Experience
Tradition & Assimilation
vs.
Trend-Setting & Unconventionality



Awareness for Existing Exclusion
Anonymous Privacy
vs.
Outspoken Hedonism

Awareness for Existing Discrimination
Inclusion, Ethics & Solidarity (Symbols, Rituals)

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Quantity AND Quality

- 28 International surveys
 - 8 % of all men and 4 % of all women are homosexual
- Statistically distributed across society
 - Gay/lesbian diversity is part of social diversity
- Even though it's impossible to carry out representative surveys, it is easy to get relevant data



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Accessible AND Reachable

- 50% of all homosexuals live openly gay/lesbian
 - half of them are integrated in the GLBT Community
 - half of them are integrated into the Mainstream
- Dedicated infrastructure
 - Specialised media
 - Visible Communities in cities
 - Special Events
- Communication with symbols and codes is possible



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Economical AND Ethical

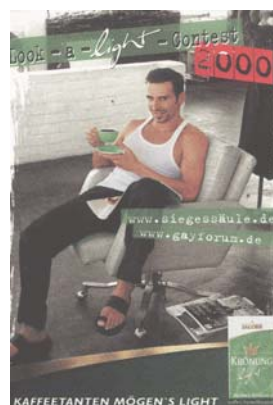
- Communicating to gay / lesbian consumers is
 - inexpensive and
 - cost effective
- Targeted communication is more effective than mass communication
 - especially in the Gay-Segment, where corporate messages are still rare



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Value-Added for Brand Strategy & Image

- Target group rewards credible moves
- Scene marketing (lifestyle / value-based) has positive impact beyond the target group
 - General Image
 - Trend-setting
 - News-worthy



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Gay Marketing: Using The Power of Diversity

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4 The 5 P's

- Gay Marketing - as any marketing - consists of different strategic building blocks that make up the marketing mix
 - Product
 - Place
 - Price
 - People
 - Promotion

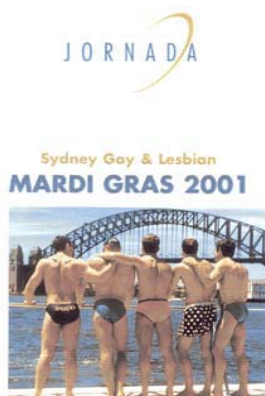
Product

- Don't reinvent the wheel
 - Standard Strategy: Products, identical to the Mainstream / mass market eg. Nescafe Xpress →
 - Specific Strategy: Products specially designed for gay/lesbian consumers. eg. Gay Travel → next page
 - Variation Strategy: Products, that are partly changed or adapted. eg. FemSecure → next page



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Product Strategy: Examples



Specific



Variation

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Place

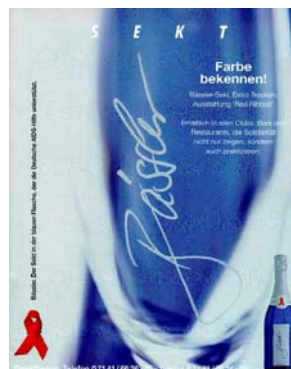
- Walking on the beaten track
 - Similar sales options for gay/lesbian segment and Mainstream:
 - Direct Marketing and Co-op-Marketing are the most promising approaches.
 - Sales Structures and some Trade can also be effective.



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Price

- Value for Money is Key
 - Standard Strategy: Same Price as in Mainstream
 - High Strategy: For specific products or with value-added
 - Low Strategy: Effective for new entries
 - Charity Models: Part of the revenue is given back to the Community (donation). Very promising approach, but almost stretched to the limit.



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People

- Show your face
- Professional customer relationship management acknowledges the Diversity of all customers.
 - **Neutral Strategy:** No selection of staff, whatsoever
 - **Specific Strategy:** Hiring / employing homosexual staff
 - **Mixed Strategy:** Credible integration



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Promotion

Most Communication Tools can be applied in Gay Marketing But often, they have different impact

	Gay	Mixed
Advertising	✓	✓
Public Relations	✓	✓
Sponsoring	✓	#
Event Marketing	✓	#
Promotion	✓	#
Direct Mail	✓	
Co-operation Marketing	✓	#
Online-Marketing	✓	✓

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Advertising (Above the Line)

- Traditionally Effective
 - Gay/lesbian ads are a specific approach to the market (in Mainstream and gay context)
 - Neutral (non-heterosexual) ads convey a specific message in any gay context
 - Coded ads reach homosexuals in the Mainstream



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Sponsoring

- Show Some Pride
 - Giving Back to the Gay Community will help gain credibility and build trust.
 - Through Sponsoring, values and contents can be communicated.
 - Public support shows loyalty with the segment.



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Internet

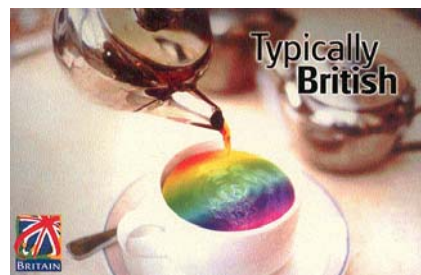
- The Segment within the Segment
 - Many findings suggest that gay men and lesbians have a stronger than average affinity to the Internet
 - This target group is different from “the scenes” in the big cities
 - Banner and contents effective



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PR

- Getting the Message Across
 - Media relations help convey subtle messages.
 - Public affairs enables to communicate corporate policies.



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Sales Promotion

- Down to Earth
 - Being in touch shows affection.
 - Mechanisms must specifically relate to gay men and/or lesbians.
 - Practically no spill-over due to self-selection of clientele.



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Final Recommendations

- Analyse your situation carefully
 - Brand architecture, HR, communication etc.
- Be strategic and long-term oriented
- Make your home work
 - Workshops, internal communications, policies etc.
- Set up a multi-platform communication plan
- Be committed, loyal and show sustained efforts

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Our Background Fits Diversity

■ Expertise

- Multi-disciplinary degree
- 12 years+ pan-European and EU experience
- 7 years+ work on minority/Diversity employment issues
- HR/OD and marketing / communication background

■ Networking

- Media, specialist events, Universities, NGOs
- European and Global Consulting partner networks

■ Completed projects include

- Strategic (re-)alignment / positioning of Diversity
- Business cases / research (D, EU)
- Diversity project & strategy development
- Diversity communication: brochures, Intranet sites, Internet sites, management presentations
- Events for employees, managers
- European network management
- Diversity training
- Marketing & recruitment
- Non-profit & public sector Diversity