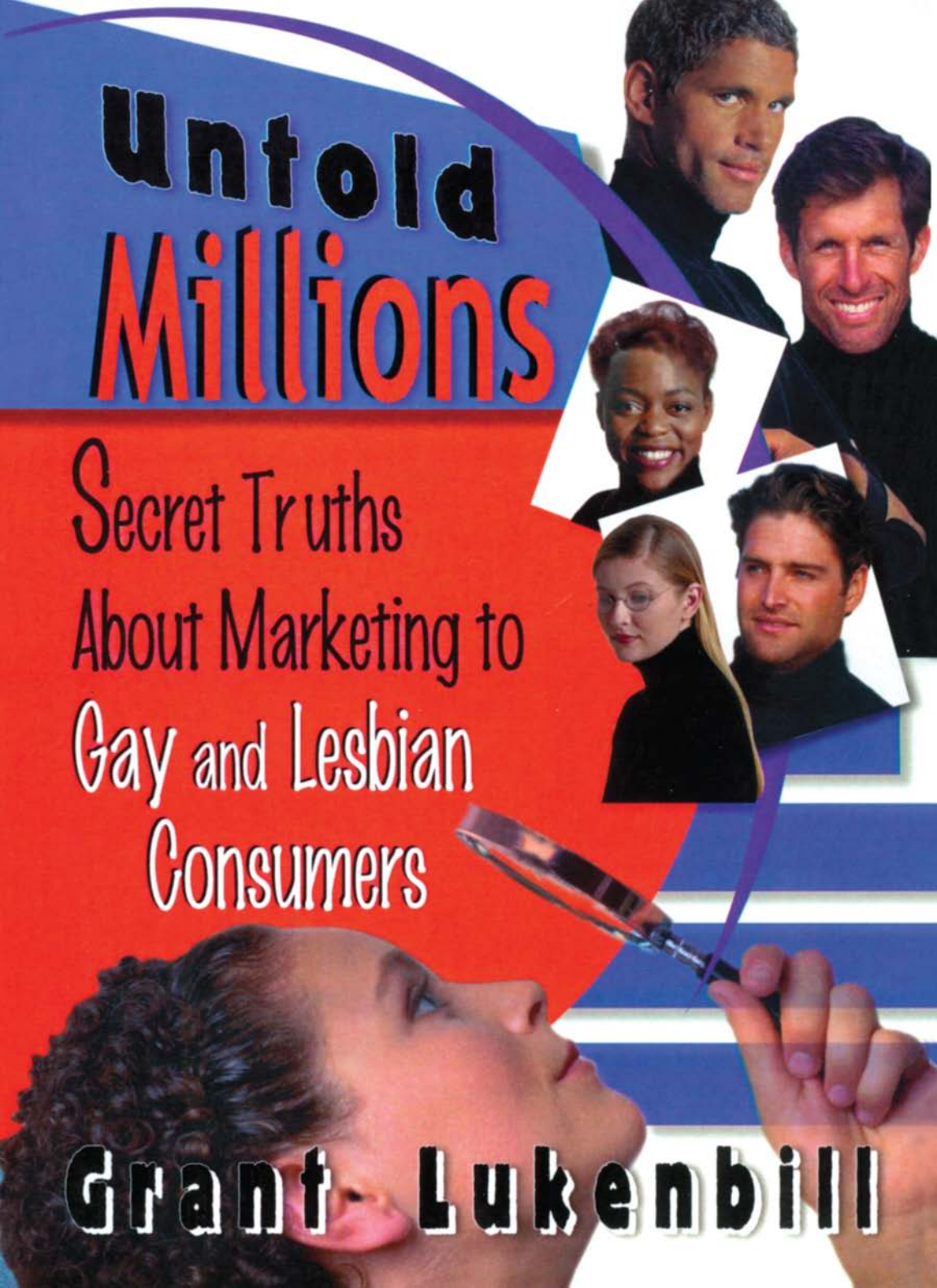


Untold Millions

Secret Truths
About Marketing to
Gay and Lesbian
Consumers

Grant Lukenbill



Untold Millions
*Secret Truths About Marketing
to Gay and Lesbian Consumers*

This page intentionally left blank

Untold Millions

Secret Truths About Marketing to Gay and Lesbian Consumers

Grant Lukenbill

 **Routledge**
Taylor & Francis Group
New York London

First published by

Harrington Park Press, an imprint of The Haworth Press, Inc., 10 Alice Street, Binghamton, NY
13904-1580

This edition published 2013 by Routledge

Routledge
Taylor & Francis Group
711 Third Avenue
New York, NY 10017

Routledge
Taylor & Francis Group
2 Park Square, Milton Park
Abingdon, Oxon OX14 4RN

Routledge is an imprint of the Taylor & Francis Group, an informa business

© 1999 by The Haworth Press, Inc. All rights reserved. No part of this work may be reproduced or utilized in any form or by any means, electronic or mechanical, including photocopying, microfilm, and recording, or by any information storage and retrieval system, without permission in writing from the publisher.

Second edition of *Untold Millions: Positioning Your Business for the Gay and Lesbian Consumer Revolution* by Grant Lukenbill, published by HarperBusiness, a division of HarperCollins Publishers, 1995.

Cover design by Jennifer M. Gaska.

Library of Congress Cataloging-in-Publication Data

Lukenbill, Grant.

Untold millions : secret truths about marketing to gay and lesbian consumers / Grant Lukenbill.
p. cm.

Includes bibliographical references and index.

ISBN 1-56023-948-4 (alk. paper).

1. Gay consumers—United States. 2. Lesbian consumers—United States. 3. Marketing—United States. I. Title.

HC110.C6L852 1999

658.8'34'086640973—dc21

98-47911
CIP

For my kind and gentle brother, Ralph Lukenbill.
And in dear memory of Gary and Kelvin—I miss you both.

ABOUT THE AUTHOR

Grant Lukenbill is President of GLV Communications in New York City. Formerly with *The Advocate*, he helped with the national launch of *Outweek* in 1990 and later began serving as a consultant to businesses such as AT&T, Bell Atlantic, RCA Records, and American Express about the politics and proven strategies needed to reach gay and lesbian consumers. Mr. Lukenbill now speaks internationally on gay and lesbian marketing issues and is currently organizing the first gay and lesbian consumer lobby in the United States. The author of the forthcoming book *Smart Spending for Gay and Lesbian Consumers: What You Really Need to Know Before You Shop, Buy, or Invest*, Mr. Lukenbill is also the co-founder of the Gay and Lesbian Values Ratings and Research Index (GLV 100), which annually surveys the best 100 companies for gay and lesbian consumers and employees.

CONTENTS

Foreword	xi
<i>John Klenert</i>	
Acknowledgments	xv
Chapter 1. You Can Bank on It	1
Recognize What Is Changing	7
Coming Out with the Code	8
A Melting Pot of Coded Messaging	14
Reading the Future Between the Lines	17
Seeing Is Believing	19
Real People and <i>The Real World</i>	21
Moving Ahead	22
Chapter 2. Visibility: The New Politics of Profit	25
Strong Medicine for Corporate America	27
Refocusing the Images	30
Putting First Things First	34
Gay Is Good—Big Is Not	35
Communicating Sensitivity	36
Understanding the Influence of the Gay Male Aesthetic	38
Changing Times for the Gay and Lesbian Consumer, Employee, and Investor	39
Communicating Legitimacy in an Age of Grief	42
Chapter 3. Will the Real Gay Consumers Please Stand Up?	49
Elevating the Discussion and the Science	50
Staying Mindful of Statistical Games	53
How We Got to Where We Are	53
Identifying the Consumers That Matter	55
The Population Estimates on Gay and Lesbian Americans	58
The Overall Picture	76

Chapter 4. Understanding Pride and Pragmatism: A Marketer's View of Modern Gay and Lesbian Culture	83
Economics and the Sexual Identity Crisis	84
Adaptation and Change	86
Context Matters	90
A General Gay and Lesbian American Profile	93
Attitudinal Profile of Gay and Lesbian Americans	99
The Psychology of Disenfranchisement	102
Business and Marketing Implications	104
Chapter 5. Brand Loyalty, Management, and the Creative Process: Promoting Products and Services to Gay and Lesbian Consumers	107
The Equality Principles on Sexual Orientation	107
Take Action; Be Decisive	112
Fifty Great Ways to Build Stronger Customer Relations with Gay and Lesbian Consumers	112
Corporate Nightmares: The Truth About Boycotts and Backlash	118
Common Sense Public Relations	122
Gay and Lesbian Consumer Demand: Key Areas of Growth	129
General Strategy	131
HIV and the Gay Marketing Moment	137
Chapter 6. Key Cities and Emerging Opportunities for Business	141
Investing in Taste	144
Healthy Living	147
Entertaining the Masses	149
What to Wear	150
Gay and Lesbian Travel	152
Fund-Raising	155
Gay and Lesbian Book, Magazine, and Newspaper Publishing	157
Media, Advertising, and Direct Marketing	166
Changes Yet to Come	169

Chapter 7. The Future of the Gay and Lesbian Marketplace: Considerations at the Door of the Twenty-First Century	173
Times Are a-Changing	174
Appendix A: Independent Information Sources for Gay- and Lesbian-Oriented Advertisers and Marketers	179
Appendix B: A Note on Yankelovich MONITOR's Sensitivity Techniques	181
Identification of a Scientifically Relevant Gay/Lesbian Sample	182
Notes	183
Bibliography	189
Index	193

This page intentionally left blank

Foreword

In *Untold Millions: Secret Truths About Marketing to Gay and Lesbian Consumers*, Grant Lukenbill has written not only a developmental history of emerging corporate ideology, but he goes further by addressing the inherent conflicts that arise within a movement that justifiably prides itself on being different yet welcomes, albeit warily, the attention now being paid to it by the American business community.

One speaker at the 1998 National Gay and Lesbian Task Force annual *Creating Change* meeting in Pittsburgh proclaimed to thunderous applause that she did not spend over twenty years of activism to be reduced to nothing more than a market niche.

Has the community sold itself out? It does seem, even to the casual observer, that you cannot attend any gay-related gathering without seeing the subtle, and sometimes not so subtle, presence of corporate America. Think about it. From ski events to AIDS fundraisers, from rodeos to annual Pride celebrations, from bowling tournaments to the glitzy GLAAD (Gay and Lesbian Alliance Against Defamation) Media Awards, it seems that much of corporate America suddenly has embraced gay culture.

I have witnessed this change from both the inside and outside. In 1975, one year after joining what was then the Bell System, AT&T became one of the first corporations to include sexual orientation in its non-discrimination policies. During my time there I also enjoyed the privilege of being the co-president of LEAGUE, the Lesbian, Bisexual, Gay, and Transgendered United Employees at AT&T. LEAGUE was the first corporate gay employee organization and owes its existence to the 1987 march on Washington. As workplace activists, LEAGUE's members and leaders, as the leaders of similar organizations will attest, are constantly living a dual personality. Are we good company citizens demanding safety and equality for our people and allies or are we there to serve our community by advocating for our external interests? Do

we compromise ourselves when we demonstrate to our marketing and public relations directors that doing business with the gay community is a sound business decision for any company truly interested in shareholder value? Do we sacrifice our integrity when we point out that indeed we are a market niche?

If we accept the invitation to dance with corporate America, then we have to let CEOs and other corporate types know that our community wants to be served at that very same table with the rest of the world. We are tired of eating the leftovers. I personally believe that any company boasting about its all-inclusive employment policies, but failing to support the community where it conducts business, is guilty of corporate hypocrisy of the worst kind.

Grant Lukenbill examines many key issues. Particular attention should be paid to the key role that advertising plays. The lucrative results in the short time since Madison Avenue discovered our community are truly astounding. Modern advertising and direct marketing can make or break any attempt to foster brand loyalty, but we must now begin to ask why these images are not placed in mainstream print and electronic media. If we are good enough for ourselves, why are we not presentable to the rest of the country? The community needs to make sure that when leaving the closet, we do not forget to pack corporate America and take it along with us.

Equally important is Lukenbill's critical review of the so-called rich gay community. Numerous studies, surveys, and opinion polls have been undertaken. Whatever your opinion of the results, they have collectively become a thorn in our community's side. However, the statistics so reasonably uncovered by the Yankelovich MONITOR may go a long way toward correcting the misconceptions advanced by inadequate surveys. Regardless of whose figures you believe, the core truth remains that gay, lesbian, bisexual, and transgendered people deserve respect regardless of economic status, educational level, racial grouping, or gender identification.

Untold Millions will serve as an excellent blueprint for any corporation planning a relationship with us. Gay employee organizations would do well to send copies to their company's leadership. Gay consumers must be vigilant and not assume that because a corporate logo is waving over an event, the company is gay friendly. Our national and local organizations need to be totally honest with corpo-

rate sponsors. There will definitely be times when our interests will not be mutually shared. This does not, however, excuse any corporation from investing in our good will, nor should we walk away from the opportunities that continued dialogues present. There is an old Native American prophecy declaring, "A new tribe of people shall come unto the earth from many colors, classes, and creeds. They will be known as the Warriors of the Rainbow." These are the Untold Millions that Grant Lukenbill has so ably written about.

John Klenert
Executive Director
AT&T LEAGUE Foundation

This page intentionally left blank

Acknowledgments

This book reflects the contributions and commitments of many people. For listening, strategizing, and conducting historical, groundbreaking research on gay and lesbian Americans as consumers, I am most grateful to the wise and talented people at Yankelovich Partners, Inc.—particularly Rex Briggs for his team spirit, critical thinking, and formulation of the *Psychology of Disenfranchisement*.

For permission to include some of the most pioneering on-line research of gay and lesbian consumers to date, I am equally indebted to the people at Greenfield Online, Inc., and to their partnership with Stephanie Blackwood and Scott Seitz of Spare Parts, Inc.

Although too numerous to mention individually, I thank all the people at the daily newspapers and gay and lesbian publications across the country who contributed their time, opinions, research, databases and Rolodexes to this work. Numerous individuals at gay- and lesbian-owned small businesses have made important contributions as well, and I am grateful for their time and professional courtesies.

For constructive criticism, mature debate, and encouragement from the beginning, I'm particularly indebted to my friends and trusted confidantes: Adrian Milton, David Winters, and Michael Gast. I also want to acknowledge the contributions and personal support I have received from Dorothy Atcheson, Sidney Casares, Chad Edwards, Amy Ginsberg, Neil Goldman, Jay Hill, David Kraft-Schutte, Nan Liebowitz, Josie Marode, Stan Redfern, David Rephun, Bob Riner, Lois Sheeler, Lisa Tritico, Steve Turtell, Steve Walton, and Jimmy Wilmore. I thank Bill Dobbs for always reminding me of my roots.

My thanks to Frank Mount, Charlotte Sheedy, and Adrian Zackheim for their contributions to this book's first edition. And for editing the early manuscripts and providing patient, competent ad-

vice on structure, I am grateful to Virginia Smith, Jane Loeb, and Suzanne Oaks.

For believing in and supporting this book's second edition, I thank Bill Palmer at The Haworth Press, as well as Peg Marr and her associates, who made extensive contributions well above the call of duty.

Thanks to my bibliographer Janet Kvamme, for her keen sense of history—and especially her work in association with James Briggs Murray at the Schomburg Library in Harlem. Extensive thanks are due as well to my trusted friend and art buddy, Patrick Arena, for his patience and loyal editorial and research assistance. And to Ron Niemann, whom I love most for his unswerving commitment to spiritual friendship and a sense of humor too twisted for words but well-appreciated during the burning of midnight oil.

For inspiration and endless reams of newspaper clippings, letters, pictures, phone calls, faxes, e-mail, and a highly balanced sense of what constitutes community, I want to acknowledge the editorial contributions and shrewd—at times ironic—political insights of my brother, Ralph Lukenbill.

Others have contributed priceless gems of insight as well: Dan Baker, Matthew Bank, Amanda Bearse, Allan Bérubé, Stephanie Blackwood, Jay Blotcher, Steve Bolerjack, Howard Buford, Dennis Colby, Bob Craig, Dan Dailey, Rob Davis, John Dellassandro, Michael Denny, former New York City Mayor David Dinkins, the Honorable Tom Duane, Martin Duberman, Murray Edelman, Stuart Elliott, Paula Eittlebrick, Mildred Gardner, Stephen Gendin, Timothy J. Gilfoyle, Barbara Gittings, Michael Goff, David Gold, Barbara Grier, Will Guilliams, Harry Hay, Mark Horn, Frank Kameny, Michael Kaminer, Jonathon Ned Katz, Robert Kilgore, Paul Kowal, Richard Laermer, Dorr Legg, Steve Levenberg, Phyllis Lyons, Del Martin, Deacon Maccubbin, Ed Mickens, Kendall Morrison, Ann Northrop, Roz Parr, Ron Owen Partners, Clarence Patton, Del Pearce, Victor Ponte, Tom Reilly, Alan Roskoff, Gabriel Rotello, John Sabulis, George Sancoucy, Luc Sante, Henry Scott, Michael Shively, Francis Stevens, Sean Strub, Donald Suggs, Andrew Sullivan, Harry Taylor, Nancy Webster, Urvashi Vaid, Jeff Yarbrough, and numerous people at the International Gay and Lesbian Archives, the Lesbian Herstory Archives, the New York Advertising & Communications Network, Rivendell Marketing, the National Gay Newspaper

Guild, the staff of the 1994 Gay Games, Stonewall Twenty-Five, and the Equality Project.

For their unconditional love and support I'm eternally grateful to: my family, Bill and Lois Wilson and their family, and my father, David Lukenbill—an all-around great guy.

This page intentionally left blank

Chapter 1

You Can Bank on It

Marketing has changed. Things are different now, and so are attitudes.

Today, lesbian role models speak for tennis shoe companies, computer manufacturers, and credit card companies. Gay rock stars speak out against unprotected sex. Parents and grandparents are carrying the message of tolerance and acceptance of gay youth to our nation's schools, churches, and synagogues. Even President Clinton spoke at a televised gay and lesbian fund-raising dinner in Washington, hosted by the Human Rights Campaign.

At the New York ceremony of the 1998 Media Awards hosted by GLAAD (Gay and Lesbian Alliance Against Defamation), celebrities such as Sigourney Weaver, k.d. lang, Marlo Thomas, Phil Donahue, and Harvey Weinstein made presentations. They were followed by Tony Bennett, who sang "People" and "Somewhere Over the Rainbow." The star-studded event was also sponsored by big corporate names such as Fannie Mae, AT&T, Sony, IBM, Wells Fargo, and America Online.

Sound acceptable?

Not long ago it sounded silly to many. At least that was the impression among certain Madison Avenue marketing leaders when I suggested in this book's first edition that a "bullish, fast-moving train of economic momentum" was coming thunderously down the track, and that it meant "invigorating market opportunities for businesses and social institutions—both large and small, rural and urban."¹

That was then. Things are clearer now. "Let Them Wed" demanded an *Economist* cover story complete with two grooms in tuxedos perched on top of a wedding cake.

“Gay Images, Once Kept Out, Are Out Big Time” proclaimed the headline of *The New York Times* Styles section shortly thereafter. And in the past twenty-four months, dozens of industry trade publications including *Advertising Age*, *Marketing*, *Business Week*, *Demographics*, and others have run similar articles confirming that what was once touted merely as trend, has since become commonplace.

Indeed, things are now crystal clear; the gay and lesbian cultural chic of the early 1990s was not a flash in the pan. It was the serious emergence of a new marketplace phenomenon—solid, multifaceted, and growth-oriented.

Today gay and lesbian consumerism has come to be acknowledged—even respected—for its impact on the commercial buying habits of heterosexuals. And though these changes are recent, plenty of gay and lesbian consumers saw the train coming long ago.

Indeed, for them, the signs were everywhere. Perhaps the first real glimpses occurred when heterosexual men’s erotic publications began playing up “lesbian sensitivity” in the 1970s. By the late 1980s ACT UP (AIDS Coalition to Unleash Power) not only began getting national exposure, it became a defining catalyst for helping to draw serious, substantive attention to the nation’s drug research problems and looming health care crisis.

Those who were skeptical about ACT UP tactics tended to also be those most cynical about the emerging legitimacy of a national gay and lesbian market force. In retrospect, it seems that perhaps more than a few in the American business world were embarrassingly held hostage by Hollywood’s original version of who gay people were “supposed to be.”

Fortunately, much has changed. What is interesting, though, is that long before debates over same-sex marriage, Boy Scouts, *Ellen*, *Will & Grace*, or the reemergence of sexual orientation conversion therapy, there was always an economic motivation behind the depiction and positioning of unrealistic homosexual imagery in the commercial marketplace. Basically, it was because there was always a payoff—albeit at the expense of gay and lesbian people (the mass marketing of gay and lesbian stereotypes in television and film all through the twentieth century is well-documented).²

For instance, just after the beginning of the twentieth century during the early years of (what is now called) the mental health

field, psychiatrists seized upon the opportunity to pontificate about the “sickness” of gay and lesbian people—even legitimizing their stature by making supposedly learned arguments about the dangers of their serving in the military.³ Of course, that problem is still with us, but the days of finding an automatic payoff at the expense of gays and lesbians have fallen behind us. With the exception of the Conservative Right’s disinforming manipulations, the demand for archaic stereotypes of lesbians and gay men as mental misfits, perverts, and moral deviants has evaporated as well. The days of an exclusively heterosexual model of commercial consumption in free enterprise are dead.

Today, a dynamic infusion of opportunity for American marketing continues to invade the entire commercial spectrum—one that is more historic than the appearance of gay male soap opera walk-on characters and more relevant than pictures of nude lesbians in straight male erotica: the power of the domestic gay and lesbian consumer dollar and all that it represents. This power can mean increased revenue for the business you own or work for. It can solidify a shrinking sales database in a company’s direct marketing efforts. It can prop up a brand’s sagging performance in highly competitive geographic areas. It can even bring credibility to a corporate image in need of one or make a company more attractive for prospective employees, partners and associates, lucrative government contracts—even mergers.

In some industries more than others, a sparkling presence has become all too apparent—one that even some gays and lesbians are completely surprised by. And it has grown right out of their own community: a gay and lesbian cultural and consumer revolution. This revolution is resulting in a seismic shift in popular culture. The effects are already proving to be unavoidable by every large corporation and company with a product to sell or an employee to hire. According to Stephanie Blackwood, a former associate publisher with *The Advocate*, the oldest national gay and lesbian news publication in America, “people [in business] who acknowledge the moral obligation to the gay community are the ones who will ultimately be regarded as the leaders.”

What is currently happening is a wholesale change in the spending patterns of millions of American consumers—gay and lesbian

as well as heterosexual. And for some companies, their entire way of doing business will alter significantly as a direct result of gay and lesbian buying power and its indirect commercial influence on their existing customer base.

Sound far-fetched? Consider what's been going on recently.

"Big Business Boosts Effort to Win Share of Gay Market" read *The Wall Street Journal* banner headline after a recent Gay and Lesbian Business Expo at the Jacob Javitz Convention Center in New York City "where half of the 225 exhibitors were mainstream companies, up from about one-third of a much smaller group last year said Steven Levenberg, show manager."⁴

At American Airlines, Rick Cirillo, Director of Sales for the Gay and Lesbian Community, says "We [at American Airlines] are happy to be leaders in this area; we allow our gay and lesbian customers to obtain bereavement fares [reduced-fare flights in the event of the death of a domestic partner], and our frequent flyer miles can be used between gay and lesbian domestic partners" (a benefit still only available to married heterosexual couples on other airlines).

Rapid changes regarding gay and lesbian issues in the workplace as well as the marketplace are now apparent in most large telephone companies. According to Bob Baublitz, Market Manager of Ethnic & Premium Marketing & Sales, at Bell Atlantic, "to remain competitive, we have to attract the best and brightest people, we want to be open and acknowledging all our employees. And I think that when you look at gay and lesbian [business issues] from several perspectives, the first being national exposure, the second employee benefits, and the third community sponsorships, we [as a company] are in front."

Indeed, many companies are now out in front, taking the lead, and positioning themselves for the future.

Gay and lesbian buying power is such a commercial and economic force that it is affecting regular decision making at Kodak, IBM, Bristol-Myers Squibb, Hill and Knowlton Public Relations, American Express, Nike, Calvin Klein, Revlon, AT&T, Time Warner, Continental Airlines, Home Box Office, Merrill Lynch, and IKEA. These and other companies are now taking advantage of all the opportunities that exist when corporations pay better attention to sexual diversity in the

workplace and in the consumer marketplace. And those companies that get out there first, without hesitation, stand to gain big.

Perhaps that's why more and more marketers from Madison Avenue to Silicon Valley are discussing and negotiating these exciting new realms—from hospital corporations and health clubs in the South to the Biltmore Hotel in Los Angeles and American Marketing Association in New York City. In the recording industry strong niche sales among lesbian consumers can no longer be denied. According to author and New York radio personality Vicki Starr, one of the first out lesbians in American radio, "For years in the country music business there was this belief that women country music artists don't sell. Well, now those people are realizing otherwise."

The word is out with all the television networks, with QVC, Home Shopping Network, Miller Beer, the Republican Party, and the animated halls of Disney; it is impacting media buying for Naya, Evian, and Perrier; it is even stirring within the Catholic Church, affecting politics and rhetoric in the inner sanctums of the Vatican.

Changes in television are apparent in both cable and broadcast realms. "Home Box Office has been top-notch in every way in terms of policies; they are very understanding when it comes to benefits for gay and lesbian employees," says Richard Mayora, account executive for HBO.

And according to Joe Decola, a producer with NBC News, "We are certainly covering more gay and lesbian news now than we were five years ago—in fact, dramatically more. And I would even say somewhat more than just three years ago. In the country overall, there's a cultural change taking place, there are just more people out today—out in media and in the marketplace. That's certainly the case at NBC News—and it all contributes to a growing sense of awareness."

Awareness indeed. Senior-level marketing executives make the same comments at CNN, ABC, and MTV. Savvy business leaders everywhere now agree, gay and lesbian marketing segments are here to stay. And so is the competition for the brand loyalty, the cultural relationships, and of course, the profits.

According to former J. Walter Thompson partner and associate research director, Tony Incalcaterra: