

# Targeting a "Dream Market"

# Gaining a Share of the \$70B LGBT Travel Market

Turismo LGBT Para Hoteles, Agencias y Tour Operadores
Presented by Ed Salvato

5<sup>th</sup> International Conference on LGBT Marketing and Tourism
July 26, 2012
(Salón Mermoz)

### **Presentation Overview**

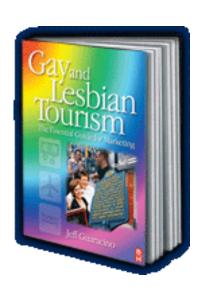
- Gracias!
  - And who I am
  - Presentations available at EdSalvato.com/TravelShows
- Business potential case studies
  - An aha! Moment
- Market segment characteristics
  - Size, buying power, and behaviors
  - Economic resiliency
  - Brand loyalty
  - Demonstrated "Influencers"
- Your competition/product to sell
- How to gain a share

Please ask questions!



### Ed Salvato

- Editor in chief, ManAboutWorld
  - The first gay travel magazine built for iPad
    - Information/subscribe:
    - http://manaboutworld.com
- Board member, International Gay & Lesbian Travel Association (IGLTA; IGLTA.org), the leading organization in the global LGBT tourism industry
  - Important organization to join
- On-air travel expert Sirius/XM, Proud FM
- Co-author of Gay Tourism Marketing book (international edition; publication 2013)
- Managing Director OutThink Partners
  - http://www.outthinkpartners.com





### Business Potential - Aha!

### Leisure market

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



Kerching!

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

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

Source: Fort Lauderdale Convention & Visitor Bureau

gay & lesbian marketing

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 "gaystream" 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 mobi 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.

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### **Business Potential**

### Weddings/honeymoon market

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



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

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### **Business Potential**

### **Group market**

Example: Las Vegas group, convention business

#### In 2010

Number of room nights LGBT meetings:

Non-gaming revenue:



83,000

\$25M (yes million!)

#### In 2011

Just one of several examples:

OutServe non-gaming rev

\$200K

#### In 2012

4,500 players Projections for just three LGBT sporting events:

Non-gaming revenue expected: \$3M 700K Square feet of meeting space:



### **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

<sup>\*(</sup>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)



### **Events: Bear Week**

Number of "bears" and friends: 8,000

Length of visit: up to 10 days

Spend per visitor per day \$200-400

Conservative estimate of total spend: \$20 million

This includes all lodging, food, drink etc. If you add in transportation to Provincetown that brings total closer to \$30 million

Sources: Provincetown Tourism Office; Girl Power Productions



- 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

<sup>\*</sup>Sources: Community Marketing, Inc., Harris Interactive' James Hipps, "The Power of Gay."



## Size and Buying Power

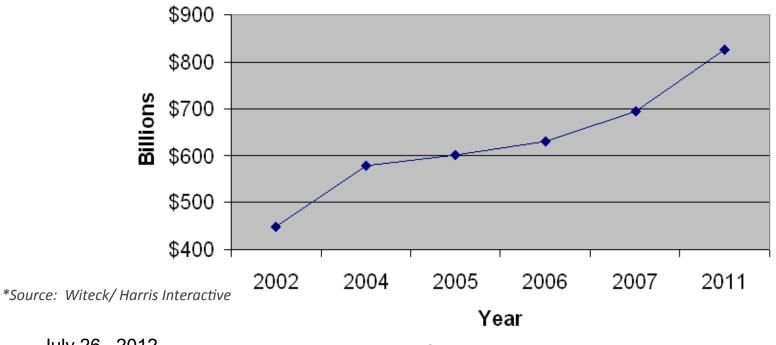
- Fewer than 25% of gay men and lesbians live in households with children
- As a result, the LGBT market has more disposable income...

"Double Income No Kids"

<sup>\*</sup>Source: Community Marketing, Inc., Harris Interactive

## Market Size and Buying Power

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



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Demo	Gay men	Gay women
Median HH income	\$83,000	\$80,000
Singles	\$62,000	\$52,000
Couples together	\$130,000	\$96,000
%HH > \$100,000	35	5%

- Twice as likely to have an individual income over \$60,000
- Twice as likely to have a household income over \$250,000

### 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.

### 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.

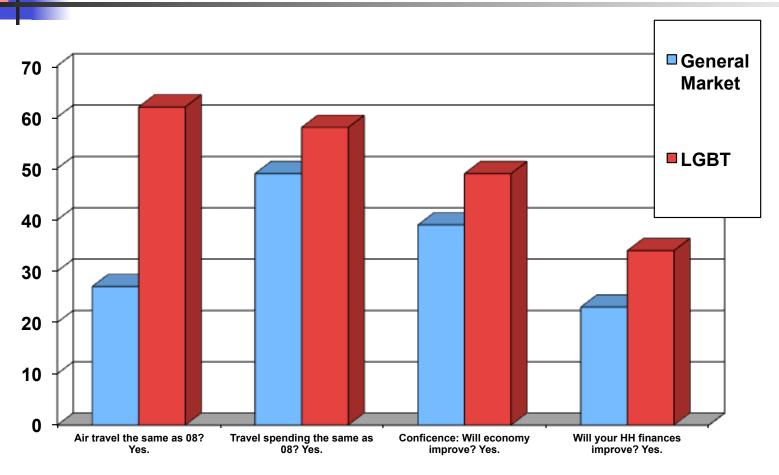
<sup>\*</sup>Source: Community Marketing, Inc., Harris Interactive

### 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

### LGBT Market - Resilient



\*Source: Witeck/Harris Interactive

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# Brand Loyal (travel)



	<u> </u>
33%	Would stay longer at such places
37%	Would 'reward' destinations advertising as gay friendly by spending more money when they visit
74%	More likely to visit destinations where tourist office has gay marketing campaign

Gay/lesbian travelers like to be invited and to feel warmly welcome.

### 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



- New destinations to explore
- People, culture, food, wine, beaches, cities, ski, outdoor adventure.
- Far, but direct flight and similar time zones
- "Exotic" bragging rights
- Mardi Gras, Carnival, Gay Prides, other gay events

# Product/Competition-Hilton







#### **PARTNERSHIPS**

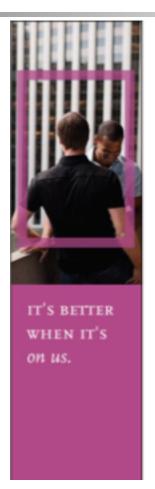
We partner with a number of organizations supporting the LGBT community in a variety of ways.

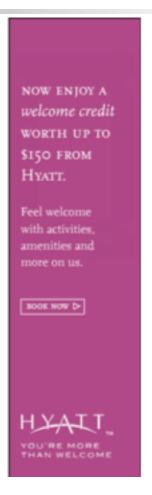


Explore Hilton Resorts

# Product/Competition-Hyatt







# Product/Competition-Marriott (Be You)









**GFFICIAL RULES | PRIVACY POLICY** 

#### The Marriott "BE YOU" Getaway Sweepstakes

Marriott celebrates Pride with you around the world. Next year, Marriott will celebrate Pride by sending you to the world's most exciting destinations.

#### Be you, on us!

Enter for your chance to win a trip to the 2013 New York, San Francisco or Berlin Gay Pride Festivals!\*

I am at least 18 years of age or the age of majority in my state/jurisdiction of permanent residence, whichever is greater, as of June 6, 2012 and agree to thee Official Rules.



# Product/Competition-Marriott en español

Inipio > Marriott Turismo Gay

Hoteles Gay: viva lo mejor del turismo gay

Destinos y ofertas » Beneficios de Marriott Rewards » Bodas y eventos »



#### Un mensaje del Sr. Marriott

"La mayor fortaleza de Marriott radica en la rica diversidad de cultura, talento y experiencias de nuestros huéspedes y asociados de todo el mundo. Nuestras diferencias hacen que seamos más fuertes, que nuestra cultura sea más vibrante, que nuestro modelo de negocios sea más flexible y que nuestro trabajo sea más importante. Gracias por hacer de Marriott International el lider mundial en recepciones."

#### - J.W. "Bill" Marriott, Jr.

#### Marriott Hotels and Resorts

Los hoteles y resorts Marriott se enorgullecen en celebrar eventos inclvidables en los destinos más apasionantes del mundo, incluyendo:

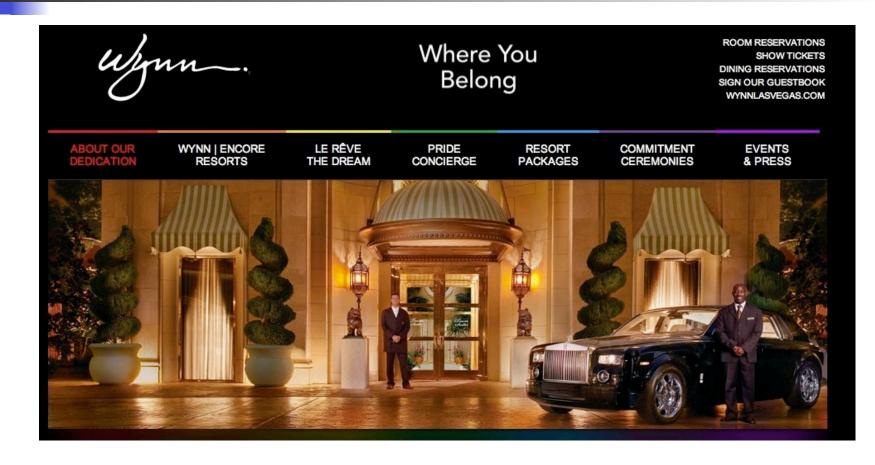


#### The White Party

La fiesta White Party anual en el Renaissance Palm Springs es conocida como el mayor festival gay de música dance de

# En esta sección Destinos y ofertas Beneficios de Marriott Rewards Bodas y eventos

# Product/Competition-Wynn, Las Vegas



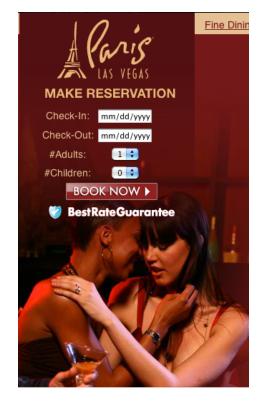
# Product/Competition-Other Vegas Hotels

### **MGM**



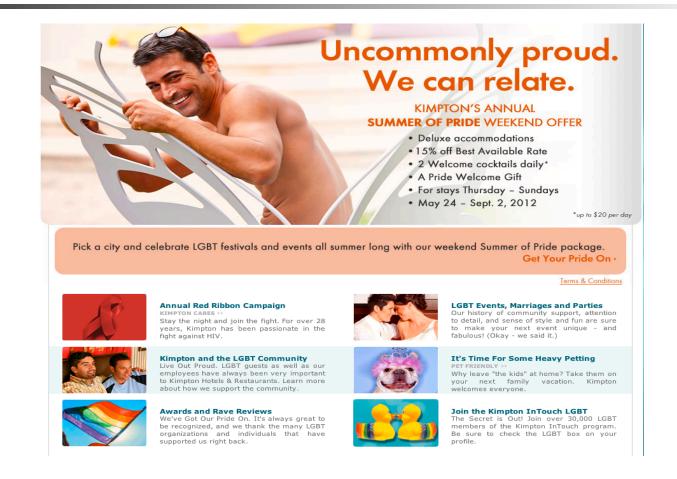
http://www.mgmresorts.com/fabulous/

### **Paris Hotel**



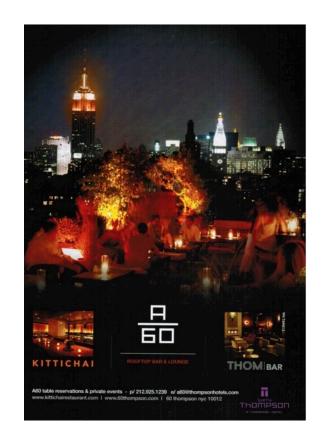
http://www.caesars.com/ paris-glbt/

# Product/Competition-Kimpton Hotels



# Product/Competition-Other





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## Product/Competition-Other

- JDV http://www.jdvhotels.com/lgbt
  - Have a little fun

WE BELIEVE IN

ACCEPTANCE, EQUALITY AND

MIMOSAS BEFORE NOON.



## Product/Competition-Other

- Jumeirah Essex House, New York
  - Dubai-based company
  - Very subtle, discreet LGBT promotion
- Grand Wailea Resorts, Maui
  - New to market
  - Targeted advertising, PR, social media

# Product Many Global Destinations

- North America
  - U.S. and many states and cities in the U.S.
- Canada and many provinces and cities
- Latin America:
  - Puerto Vallarta, Baja, Mexico City
  - Bariloche, Buenos Aires
  - Sao Paulo, Florianopolis
- Europe
- Asia
  - Thailand, Japanese tour operators, Nepal, India travel agency

<u>Download other presentation!</u>

# **Product-Tour Operators**

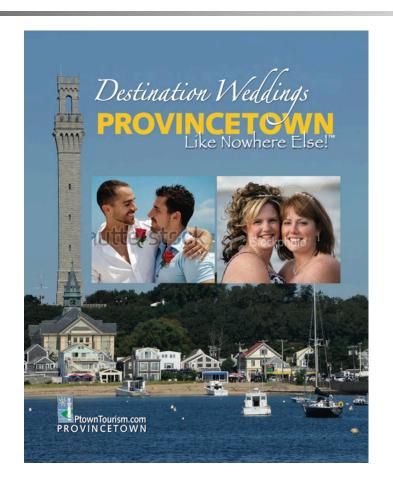
- Cruise and land vacations
  - Atlantis (AtlantisEvents.com)
  - RSVP (RSVPVacations.com)
  - Sweet (DiscoverSweet.com)
  - Olivia (Olivia.com)
  - R Family (RFamilyVacations.com)
- Tour operator
  - Alyson Adventures, Hanns Ebensten
    - AlysonAdventures.com, HannsEbensten.com
  - Out-Adventures (Out-Adventures.com)
  - Zoom Vacations (Zoom Vacations.com)
- Africa
  - Wild Rainbow African Safaris (WildRainbowSafaris.com)
- Asia
  - Out Asia Travel (OutAsiaTravel.com)
  - Out Journeys (OutJourneys.com)

# Product-Travel Agencies

- Variety Cruises (VarietyCruises.com)
  - Gay "lifestyle" cruise August 24-31
- Magnet Tours (MagnetTours.jp)
- Concierge Travel (CongiergeTravel.cc)



# **Product-Destination Weddings**



## **Product-Gay Events**

Bariloche gay ski week-Sep 3-10



Sonoma gay wine weekend June 15-17, 2012



### **Product-Airlines**



### **Product-Airlines**







### You could win a European Getaway for two!

Lufthansa is sponsoring a special contest to demonstrate our support of the LGBT community. Visit our microsite <u>lufthansa-usa.com/lgbt/</u> and enter to win.

You could win a pair of tickets to Europe and a twonight hotel stay plus complimentary breakfast!

You can also access our special discounts for travel to some of Europe's upcoming Pride events.

The grand prize could be yours, just fill out our form.

First Name		
Last Name		
Email address		

## Competition-OTAs

- Orbitz (GayOrbitz.com)
  - LGBT Hotel reviews ad with Miss Richfield 1981:
  - http://www.youtube.com/watch?v=zpLRXNoLd7k&feature=plcp
  - Only one to allow people to filter hotel reviews by LGBT travelers
  - http://www.orbitz.com/hotel/United\_States--GA/Atlanta/ The\_Georgian\_Terrace\_Hotel.h10993/#reviews
- Travelocity
  - http://www.travelocity.com/c/content/site/en/TRAVELOCITY/ vacations/stores/gay-vacations.html
- Expedia
  - http://www.expedia.com/daily/gaytravel/default.asp



# 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

- Conduct research
- Invest in a marketing plan
- Educate your stakeholders
- Expand your tourism marketing toolbox
- Launch a three-year effort



### How to Gain a Share of Market

- Know your audience
  - Gay-friendly (consumer perspective)
  - Gay-friendly (marketer's perspective)
- Tailor your message and communications channels for your audience
- 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



### Power of the Invitation

- No to serving in the military
- No to getting married
- No to coming out
- No to being open in religion
- No, we don't want you!
- Yes! We welcome you!

(different around the world)

(different around the world)

(personal decision)

(depends on the religion)

(most destinations/hotels)

(words, pictures, action)

# 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.
  - Same-sex marriage and other rights are increasingly available throughout South America.
  - This is good information to share with potential visitors who may not know how progressive some parts of South America are.

# 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

- 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
- 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/NLGJAStylebook.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: ManAboutWorld's Savvy or Honeymoon sections; Edge travel awards; GayCities blog



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



- The LGBT market is very community oriented
- Become a supporter of an LGBT organization or sponsor their events
  - IGLHRC, 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
  - http://sites.hrc.org/documents/CorporateEqualityIndex\_2012.pdf

### **Ed Salvato**

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

