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MARKETING SYSTEMS

Multicultural Insights

QUICK GUIDE: Marketing to LGBTQ+







Dear Marketer,

The American LGBTQ+ community is one of the fastest-growing groups in the country, and it has enormous buying power.

LGBTQ+ people make up as much as 7.1% of the overall U.S. population, including 21% of Gen Z and 10.5% of Millennials. American LGBTQ+ consumers spent over $1.4 trillion in 2021, and represent a buying power of over $3.7 trillion globally. This is on par with, and in some cases surpasses, the spending power of Black Americans, Latinx Americans, and the Asian American Pacific Islander (AAPI) community.

LGBTQ+ families have an average household income of $130,000, nearly double the national average, and they tend to spend more than the average consumer on discretionary items such as dining out, entertainment, clothing, grooming, and personal care.

Advertising that centers traditional, heteronormative imagery and ignores people with diverse sexual orientations and gender identities can exclude an extremely lucrative group of customers. Reaching out to the LGBTQ+ community during Pride month is an improvement, but can also come across to these consumers as superficial and insincere if they don't see themselves represented the rest of the year. A Unilever study released last week found that 66% of LGBTQ+ individuals between the ages of 18 and 34 believe people from diverse backgrounds are only featured in ads "to make up the numbers."

Developing a meaningful connection with this market segment can be easy and rewarding if marketers put in the effort to understand and relate to LGBTQ+ individuals. Research indicates that LGBTQ+ consumers tend to be fiercely loyal to brands that seem authentically invested in LGBTQ+ rights and experiences, and will even pay more for a product from these brands.

This marketing guide will help you understand how to genuinely appeal to LGBTQ+ consumers, and avoid alienating them with stereotypes or token representations. You will develop a closer understanding of the LGBTQ+ community as consumers, and be able to develop strategies to effectively serve this community and create a loyal customer base.

Kai Fuentes, President and CEO of Ebony Marketing Systems

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Over 20 million Americans, or 8% of the total population, self-identify as members of the LGBTQ+ community.







Understanding Lifestyles and the LGBTQ+ Community

The LGBTQ+ community is a diverse group with varied experiences, worldviews, and cultures: an older transwoman of color, for instance, will likely have very different needs and interests than a white gay or bisexual man in his 20s. Marketers need to be cognizant of these differences and avoid lumping together all LGBTQ+ consumers.

Over 20 million Americans, or 8% of the total population, self-identify as members of the LGBTQ+ community. An additional 2% identify with a sexual or gender identity other than gay, bisexual, trans, or straight. This could encompass a number of sexual orientations and gender identities, including the pansexual and asexual community, the aromantic community, and the non-binary or gender-fluid community.

Of the 8% of Americans who identify as LGBTQ+, 50% identify as bisexual, and 12% identify as trans, according to the 2021 Census. Geographically, the LGBTQ+ community is concentrated in California and Texas, with 2.6 million Californians and 1.7 million Texans identifying as LGBTQ+. But there are also large LGBTQ+ populations in other U.S. states, including New York, Washington, Oregon, Arizona, Oklahoma, and Arkansas.

Differences and diversity aside, LGBTQ+ Americans share a strong sense of community and belonging. Many have had similar experiences and stories, and find expression with collective cultural markers like specific colors, prints, movies, musicals, and pop icons. LGBTQ+ Pride events and culture are an important part of many people's lives and identities, and many members of the community find joy in expressing and displaying its rich culture.

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Understanding Culture

LGBTQ+ culture is no more a monolith than LGBTQ+ identity. Gay culture is very different from lesbian culture, which again is very different from transgender culture. Targeting your marketing at specific LGBTQ+ sub-cultures can lead to increased brand loyalty and appeal, especially when it demonstrates understanding and empathy.

One important component of all LGBTQ+ subcultures is a sense of solidarity with the community as a whole. A 2019 study by Google/Ipsos indicated that 71% of LGBTQ+ consumers are likely to trust a brand that represents varied sexual orientations with authenticity. Another study indicated that 70% of LGBTQ+ consumers would pay a premium for a product from a brand that supports the community.

LGBTQ+ consumers are especially likely to seek out and give their business to brands that indicate their support for the community and include them in their advertising. They reward brands that show authentic and sustained support of LGBTQ+ rights and causes, and are likely to stay loyal to these brands.

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Understanding Consumer Behavior

LGBTQ+ households tend to have more disposable income than the average U.S. household. 75% of LGBTQ+ individuals are part of a double-income-no-kids household, and they tend to have a higher median household income than straight couples.

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Many LGBTQ+ individuals prioritize being in shape and staying healthy, eating healthy, and traveling, and tend to outspend others in those consumer categories. According to a Nielsen IQ survey, pet care, seafood, deli, and alcohol are some key categories for LGBTQ+ consumption. In response to the pandemic, many LGBTQ+ consumers have changed their shopping habits and are likelier to shop at specialty stores, stores that are less crowded, and businesses that offer curbside pickup and delivery.

When it comes to technology and software, LGBTQ+ Americans, especially younger users, use more streaming platforms than their counterparts, and are more likely to invest in technology such as laptops, home theatre systems, and smartwatches than the average American adult.

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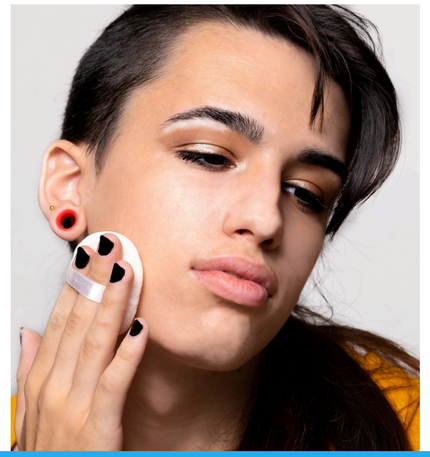

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Make sure to have LGBTQ+ marketers on your team to develop advertising material that is truly represen-tative and respectful of the LGBTQ+ community.





Know Your Market

To understand the LGBTQ+ community and consumer base, marketers need to listen to them. Explore blogs, podcasts, and social media accounts that address LGBTQ+ concerns and interests. Participate in online and offline Pride events, donate to LGBTQ+ causes, and develop an authentic interest in their rights and community.

Speak to the LGBTQ+ people in your lives, and discover what their desires, struggles, challenges, goals, and dreams are. Make sure to have LGBTQ+ marketers on your team to develop advertising material that is truly representative and respectful of the LGBTQ+ community.

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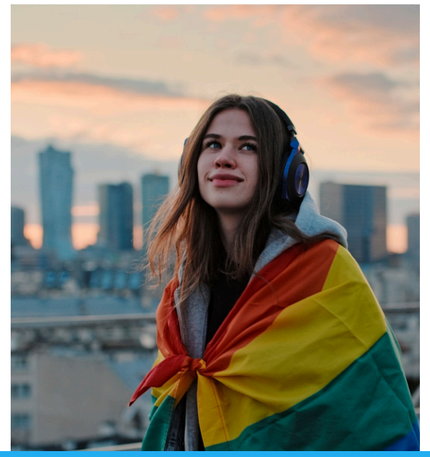







Emergent Demographics: Quick stats



Education

- Gay men attain college degrees at the highest rate in the U.S., with 52% of all gay men having a bachelor's degree, 16% more than the national average. The number of lesbian women earning degrees is declining.
- 6% of all gay men in the U.S. have an advanced degree (J.D., MD, or Ph.D.), 50% more than the national average for men.
- Even though the rate at which lesbian women are earning degrees is declining, they are more likely (44%) than straight women (33.6%) to have a bachelor's degree.
- Despite a household income that is higher than the average American's, LGBTQ+ workers earn 90 cents for every $1 earned by a non-LGBTQ+ worker.

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Emergent Demographics: Quick stats

Health

- Lesbian, gay, and bisexual adults suffer from chronic illnesses at higher rates than their heterosexual counterparts, and have higher rates of cardiovascular disease, weakened immune systems, and low back or neck pain.
- LGBTQ+ people tend to suffer from mental health conditions at a higher rate than Americans as a whole, and the pandemic exacerbated mental health issues in the community.

Family

- Approximately half of all same-sex households in the U.S. are married couples.
- According to a 2016 estimate, 705,000 US households (1.1% of all coupled households) are headed by a same-sex couple. This includes approximately 357,000 married couples and approximately 348,000 unmarried cohabitating couples.
- There were an estimated 114,000 same-sex couples raising children in 2016. Of this, 68.0% of same-sex couples with children were raising biological children, while 21.4% had an adopted child and 2.9% had a foster child.

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Supporting LGBTQ+ Rights

The last year has not been encouraging for the LGBTQ+ community, particularly the trans community, with various anti-trans legislative policies being passed in the U.S. Protections against discrimination in health care for trans people have been rolled back, and South Dakota is putting limits on transgender women and girls from competing in school sports.

LGBTQ+ Americans want to feel that the businesses they buy from empathize with these struggles and genuinely want to protect their rights. This is why many LGBTQ+ people tend to be wary of tokenism by brands that make a point of posting LGBTQ+ content or rainbow-code everything during Pride month. The LGBTQ+ community really cares about businesses that perform genuine acts of support, like speaking out against unfair laws, donating to LGBTQ+ causes, and making an attempt to avoid stereotyping the community.

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Ready to Engage with the LGBTQ+ Community?

Ebony Marketing Systems

EMS is an innovative pioneer in conducting marketing research studies among multicultural and difficult-to-reach population segments. EMS' talented and diverse staff can provide services that include special language capabilities. Our mission is to provide our clients with creative and innovative marketing research solutions that utilize our best research practices. We operate at the highest level of integrity in the area of survey research, data analysis, and management support services.

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