

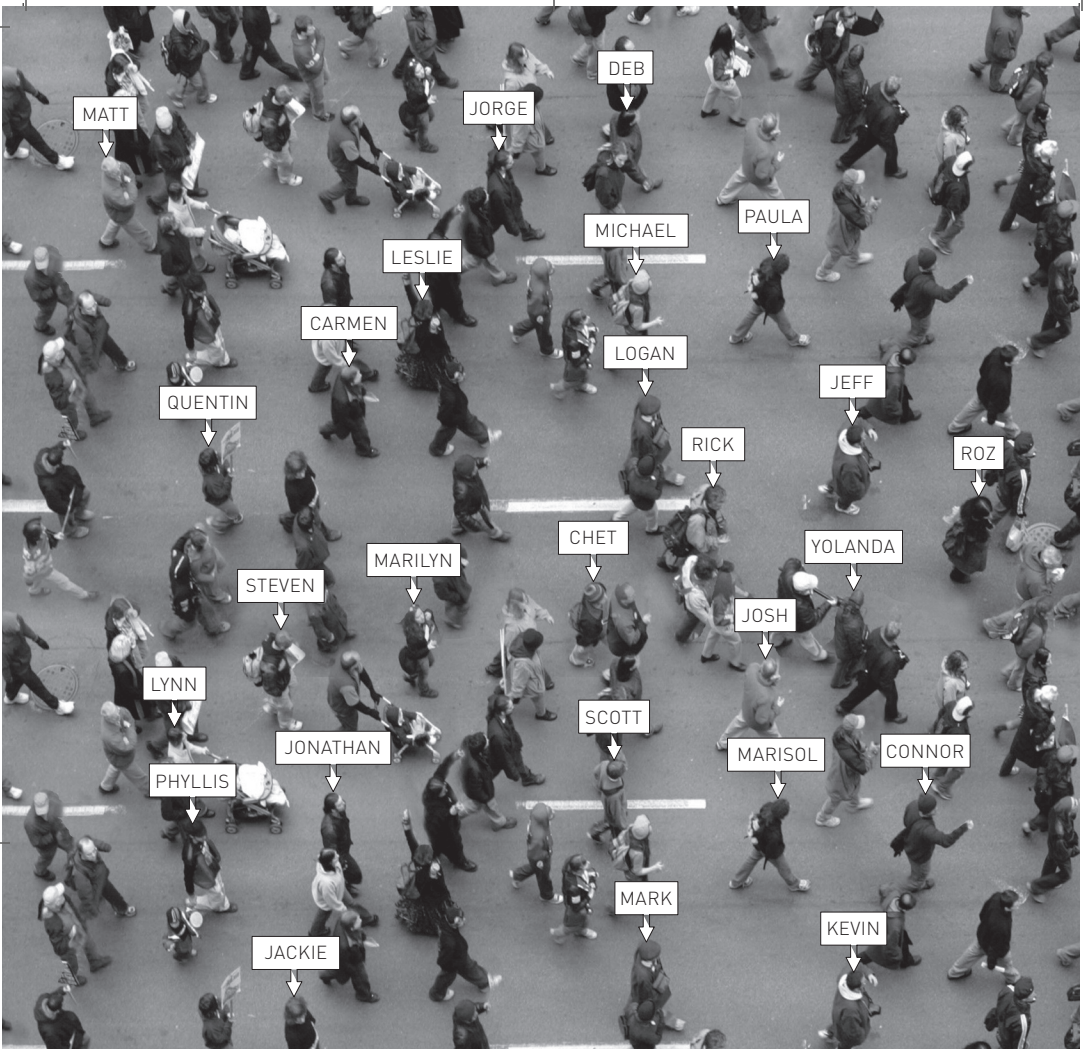
THE SOURCE BOOK OF MULTICULTURAL EXPERTS 2009/10

The Gay and Lesbian Consumer Market

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we know gay people

We don't mean to be name-droppers, but when it comes to knowing LGBT consumers, no one knows the market as well as we do. In fact, we represent more Fortune® 500 brands in the LGBT market than any other advertising agency.

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Achieving Impressive R.O.I. with the Gay Consumer Market

Howard Buford
President & CEO, Prime Access, Inc.

The gay consumer market, known as the LGBT (lesbian, gay, bisexual, transgender) market, is fast changing. The launch of the Logo cable channel in 2005 brought the first highly-targeted (and highly-efficient) television buying opportunity to the gay media mix. And with new hit shows, such as 2009's RuPaul's Drag Race, the audience has grown significantly, composed of both LGBT and general market consumers who are highly influenced by LGBT trends and brand choices. A TV spot targeted to this audience does not have to be costly and can yield strong sales results.

A record high 52% of advertising appearing in gay publications was created specifically for the market.

Broadcast, print, digital and community events all play important roles in effectively reaching the LGBT consumers and generating sales gains. Therefore, achieving your goals requires a sophisticated marketing mix. When managed effectively, the reward far exceeds the investment to produce an enviable R.O.I.

LGBT consumers form a marketplace with unique values and sensibilities. They expect advertisers to address them for who they are, directly and openly. In the late 1990s,

it was sufficient to run mainstream advertising in a gay publication to capture the attention of the market. Today, with more marketers vying for the gay consumer dollar, the bar has been raised. In focus groups nationally, gay men and lesbians report significantly higher intent-to-purchase scores when advertising is specifically directed at them, portraying their lives and communities. Advertisers are listening. The 2008 Gay Press Report, published by Prime Access and Rivendell Media, found that a record high 52% of advertising executions appearing in gay and lesbian publications were created specifically for the market.

With 7% of the U.S. population freely identifying as LGBT, this is a sizeable market. In America's largest cities, that percentage can be as high as 12% or more. In total, this consumer marketplace by 2011 will represent some 16.3 million ethnically diverse consumers (age 18+) with combined buying power of \$835 billion annually.¹

Research consistently finds *gay discretionary income* to be higher than that of the general population by as much as 15%. This primarily traces to a lower incidence of children in household, which means these consumers not only have greater discretionary income but also have greater

A targeted T.V. spot placed on the Logo Network can yield strong sales results without being costly.

discretionary time. Greater time and income mean greater consumption of higher-end products and services. Categories reaping the highest reward from targeting the gay audience are those where gay consumers index especially high (such as health and beauty care, entertainment, travel, luxury items, fashion) and categories where a consumer's gay identity can be leveraged to influence purchase behavior through targeted messaging (financial services, automotive, beverage alcohol, for example). Brand marketers also benefit from gay consumers' high brand loyalty and the trendsetting role they play in influencing the purchase behavior of consumers in general.

In the LGBT market, greater per capita consumption, strong brand loyalty and an environment with less advertising clutter create significant marketing opportunities and potentially substantial rewards. At the same

time, marketers often express concerns about organized opposition to LGBT marketing. In reality, sustaining such opposition has become impractical and untenable, particularly with the widespread acceptance of gay imagery in popular culture (Ugly Betty, Project Runway, and daytime soaps, for example). And the sheer number of companies now active in the LGBT market make tracking or avoiding these brands nearly impossible. As of 2005, more than 175 Fortune 500® brands actively marketed to gay consumers.² Disapproving groups can sometimes be vocal at first, but lose interest (and media coverage) when a marketer does not retreat.

This consumer market changes rapidly. It must be addressed effectively to achieve your desired results. Prime Access specializes in the LGBT market, representing more Fortune 500® companies than any other agency. Visit our website at www.primeaccess.net to learn more.

¹Source: Packaged Facts and Witeck-Combs Communications 2007

²Source: 2008 Gay Press Report, Prime Access Inc. and Rivendell Media

RESOURCE: The Gay Press Report monitors advertising spending and editorial content in LGBT publications. Co-published annually by Prime Access Inc. and Rivendell Media, The Gay Press Report provides unique quantitative and qualitative perspectives on gay and lesbian media.

Howard Buford
President & CEO

Contact information:

Prime Access, Inc.
345 Seventh Avenue
New York, NY 10001
Ph. 212-868-6800
Fx. 212-868-9495
howard.buford@primeaccess.net
www.primeaccess.net