

The Economic Power of the LGBT (Lesbian, Gay, Bisexual, Transgender) Market

By Stan Kimer



Expert Forum



Companies are always looking for new and fast growing markets to grow their businesses. One of the fastest growing, more dynamic, most loyal, lucrative market segments to pursue is the LGBT (Lesbian, Gay, Bisexual, Transgender) marketplace.

Just looking within the United States alone, many diversity market place studies place the LGBT disposable income at between \$700 – \$800B! Even though the number of LGBT people may be smaller than numbers of Asians, Blacks or Hispanics in the US, the disposable income is in the same range. The primary reason is that at least for now, a smaller percentage of LGBT people are raising children (which costs a whole lot of money), which provides more money available for other purchasing decisions. Maybe you should plan to expand into this market in soon!

One other very important point about the LGBT marketplace is that it is frequently more “brand-loyal” to companies that reach out to them and treat them with respect, and more “brand-punishing” to those companies that do very little to recognize the LGBT community or that even treat them negatively. It seems that on a monthly basis, there is some company that is highly publicized for a misstep with the LGBT community, or one that has done something very special to support the community.

Very importantly, LGBT consumers are very apt to support those business that offer comprehensive supportive LGBT workplace practices and that support LGBT organizations and events. The HRC (Human Rights Campaign), the US’s largest LGBT civil rights organization, publishes an annual “consumer’s guide” ranking companies’ LGBT inclusiveness by consumer segments to help LGBT consumers make wise buying decisions. A large number of LGBT consumers do indeed check out this guide when considering several competitors during a buying decision.

[\(Link to the 2014 HRC Buyer’s Guide.\)](#)

But it goes beyond just the end-consumer! This LGBT market discussion is also important to consider in B2B (or business to business) interactions. Companies that primarily sell to other companies need to be acutely aware that key decision makers they are calling on could be LGBT or strong supporters. Plus an increasing number of very large firms look at potential suppliers’ diversity policies as part of their buying criteria. And many include LGBT-owned businesses as part of their supplier diversity mix and are corporate partners of the [NLGCC \(National Gay and](#)

The Economic Power of the LGBT (Lesbian, Gay, Bisexual, Transgender) Market

By Stan Kimer



Expert Forum

[Lesbian Chamber of Commerce.](#)

Here are the practical suggestions for engaging the LGBT market segment:

- First, implement LGBT best-practices within your company including an inclusive non-discrimination policy, supporting the formation of an LGBT employee network group, offering domestic partner and transgender transition health benefits, etc. This is an important floor to start with; most LGBT consumers are savvy and will not do business with a company that has slick advertising yet does not have appropriate LGBT-inclusive policies.
- Do targeted advertising to the LGBT community. These should feature same-gender couples and LGBT community symbols and can be placed in LGBT-oriented print and online vehicles.
- Consider featuring a same-gender couple in your mainstream advertising. For example, if you have an advertising campaign over time that features 5 or 10 families, include at least one that is same-gender. This sends a strong signal to the LGBT consumer that your company views us as part of the mainstream.
- Sponsor and encourage your corporation's participation in LGBT community organizations and events. For larger companies, that can include sponsorships of national groups such as HRC, PFLAG, GLSEN, Out and Equal Workplace Advocates, etc. In addition, in the local markets where you have a large presence or employee population, support the local LGBT community center and local Pride events.
- Provide LGBT diversity sensitivity and communications training to your sales and marketing personnel that will be interacting with or preparing sales information for the LGBT consumer. Also assure any advertising and marketing vendors you engage are LGBT-trained. Recently when I was at an LGBT pride event, a major company selling vacation timeshares handed out surveys that asked respondents to designate "single, married, divorced, widowed." Having been partnered for 23 years, I could not check any of those boxes. This was a major LGBT market faux-pas. Many companies provide LGBT communications and marketing training including one of my business partners, Jenn T. Grace, [Authetic Gay Marketing](#).

Finally, in addition to pursuing the LGBT market, companies should proactively engage in doing business with LGBT-owned companies and include them in their supplier diversity initiative. You should engage with the National Gay and Lesbian Chamber of Commerce ([NGLCC](#)), the certifying body for LGBT business enterprises. And the NGLCC provides a wide range of support services to LGBT-owned businesses as well as for the corporate partners who now include LGBT in the supplier diversity mix.