What Matters: Factors Influencing Gay Consumers’ Evaluations of “Gay-Friendly” Corporate Activities

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Over the past decade, many corporations have shown an increased willingness to move ahead of public policy in affording equal rights to lesbian, gay, bisexual, and transgender (LGBT) employees. In addition, corporate America spends billions of dollars each year targeting members of the LGBT population in the marketplace. Most recently, corporations have begun to take a public stance as advocates for equal treatment of LGBT individuals under the law. However, corporations’ treatment of the LGBT population as a unified market may indicate that research on this group lacks granularity. Using demographics and social identity information, this research identifies important market differences between gay males and lesbians that can better inform corporations’ promotional expenditure and segmentation decisions when approaching the gay consumer market. The findings of this research suggest that it is important that companies avoid treating gay consumers as a group with monolithic preferences and perceptions. An individual’s sex and identity with the gay community have a significant impact on perceptions of the gay-friendliness of various corporate activities.

Keywords: gay and lesbian consumers, sex, gay identity, segmentation, public policy

A recent report by The William’s Institute estimated 3.5% of adults in the United States identify as lesbian, gay male, or bisexual and .3% of adults are transgender (Gates 2011). Lesbian, gay, bisexual, and transgender (LGBT) people are vulnerable to pervasive discrimination in employment, housing, public accommodation, education, and medical care due to a lack of legal protection. Nondiscrimination laws, such as the proposed Employment Non-Discrimination Act (ENDA), help ensure that LGBT people have equal access to the same opportunities, benefits, and protections granted to everyone else, such as the ability to work in an environment where people are judged by their job performance, not their sexual orientation or gender identity. However, even though 85% of Americans oppose job discrimination on the basis of sexual orientation and 61% would like to see such job discrimination prohibited at a federal level (Burns 2012), the ENDA has failed to receive passage into law, despite being introduced in every Congress since 1994 (except the 109th). In addition, only 21 states and the District of Columbia have outlawed employment discrimination on the basis of sexual orientation, and only 16 states and the District of Columbia have done so on the basis of gender identity.

Given the paucity of federal and state protection against employment discrimination based on sexual orientation, many LGBT people look to their employer to voluntarily offer protection from employment discrimination that public policy has failed to provide. In contrast to the public sphere, over the past decade, many corporations have shown an increasing willingness to move ahead of public policy in affording equal rights to LGBT employees. The Human Rights Campaign (HRC), a LGBT advocacy group, has tracked corporations’ positions on gay rights for the past decade. In 2002, the first year the campaign published its Corporate Equality Index—which evaluates antidiscrimination policies, domestic partnership offerings, LGBT or diversity group resources for employees and public commitment to the LGBT community, among other things—only 13 businesses achieved a score of 100%. In 2012, nearly 200 were given the top rating. According to the HRC (2013), in 2009, 86% of Fortune 500 companies prohibited discrimination based on sexual orientation, while 16% of the companies also included gender identity or gender expression in their nondiscrimination policies. Many corporations have gone beyond creating policies that prohibit employment discrimination based on sexual orientation to provide equal benefits for same-sex domestic partnerships. In 2008, 83% of the Fortune 100 firms offered same-sex domestic-partner benefits. Again, corporations’ recognition of same-sex domestic partnerships has outpaced public policy. While 16 states and the District of Columbia have a statewide law that provides the equivalent of state-level spousal rights to same-sex couples, as a result of the 1996 federal Defense of Marriage Act, which defines marriage as the legal union of one man and one woman, a state may decline to recognize same-sex marriages performed in other jurisdictions. In addition, the Defense of Marriage Act codifies the nonrecognition of same-sex marriage for all federal purposes, including insurance benefits for government employees, Social Security survivors’ benefits, and the filing of joint tax returns.
In addition to creating internal corporate policies aimed at avoiding discrimination and providing equal benefits for LGBT employees, many corporations have recognized the attractiveness of the LGBT population as a consumer market. Ragusa’s (2005) analysis of a random sample of New York Times’ advertising business news articles reveals changes in the perception and pursuit of LGBT individuals as consumers of mainstream products between 1980 and 2000. During this time, advertisers changed from stigmatizing and avoiding homosexuals to establishing a gay market niche. In doing so, Ragusa suggests that corporate America moved through three distinct phases in its treatment of the LGBT population: (1) shunning in the 1980s, (2) curiosity and fear in the 1990s, and (3) pursuit in the 2000s.

The LGBT consumer marketing is currently estimated to have an overall buying power of more than $835 billion (Witeck and Combs 2006). Over the past three decades, corporate recognition of the attractiveness of LGBT consumer spending patterns has led to a dramatic increase in LGBT-oriented promotional activities. In 2004, 36% of Fortune 100 companies advertised directly to LGBT consumers, and American corporations now spend approximately $212 million annually in LGBT print media, according to the Gay Press Report from Rivendell Marketing and Prime Access, which tracks 284 U.S. LGBT press publications. Much more has been spent in sponsorships and online advertising, which the survey does not track. Another $12 million was spent in online LGBT media, and more than $7 million more was spent annually on sponsorships in the LGBT community, totaling more than $231 million in annual corporate spending in the LGBT community (Commercial Closet 2007).

While corporations can be quickly labeled as pursuing the “gay dollar,” the social visibility gained from corporate attention may be viewed by some LGBT individuals as pivotal to the fight for societal rights. In discussing the role of the marketplace within social movements, Peñaloza (1996, p. 16) states that “the marketplace may be viewed as an important domain of social contestation whereby disenfranchised groups engage in ongoing struggles for social and political incorporation.” She also suggests that “marketplace incorporation is important in the path to social legitimation of gay males and lesbians” (p. 36). Thus, many LGBT consumers embrace the power of their spending by rewarding companies that are considered gay-friendly in terms of their corporate policies and marketing activities. The most commonly employed gay-friendly activities include the provision of domestic partner benefits, corporate financial support of gay causes, company identification as gay-friendly in its marketing communications, and advertising in both gay and mainstream media (Greenlee 2004, Oakenfull 2004; Peñaloza 1996; Tuten 2005, 2006). Tuten (2006) suggests that activities such as the provision of domestic partner benefits may be considered internal to the company, while support of gay causes and marketing communications activities may be considered external to the company.

In response, numerous LGBT-oriented market research companies have rushed to either promote or endorse this increased corporate attention by enthusiastically claiming that LGBT consumers are more loyal to LGBT-friendly companies. In a recent nationwide study by Harris Interactive and Witeck-Combs Communications (Harris Interactive 2010), 89% of LGBT respondents reported that they are extremely or very likely to consider a brand that is known to provide equal workplace benefits for all of their employees, including gay males and lesbians. Half of LGBT respondents also reported that they are extremely or very likely to consider brands that support nonprofits and/or causes that are important to them.

However, despite these ardent claims of the efficacy of gay-friendly corporate activities, to date, the topic has received little attention in the academic literature (for rare exceptions, see Gudelanas 2011; Tuten 2006). As a result, companies that are interested in targeting LGBT consumers have little to guide their expenditure decisions among a variety of gay-oriented corporate activities, both internal and external. Given the substantial amount that corporations are spending on LGBT promotional activity, this research is designed to clarify the relative value of such expenditures to gay consumers when assessing a company’s gay-friendliness.

In addition, previous academic research on gay-friendly activities (Tuten 2006) has presumed a “one-size-fits-all” approach to the LGBT consumer market segment that may overlook meaningful segmentation variables. According to the 2010 U.S. Census, lesbians and gay men often fall into different demographic categories with differing household incomes and composition (O’Connell and Feliz 2010). Moreover, research in the social sciences suggests that there may be sex differences in the way gay individuals identify as gay and experience their gay identities (Ettorre 1980; Kitzinger 1987; Rich 1980; Rust 1992, 1993; Vanable, McKirnan, and Stokes 1994) that may influence the relative importance that gay consumers place on gay-friendly activities.

Drawing on literature examining gay consumers’ response to advertising, this research identifies important market differences between gay males and lesbians, based on demographics and social identity, that can better inform corporations’ promotional expenditure and segmentation decisions when approaching the gay consumer market. Specifically, this research explores the influence of sex and gay identity on the perceived importance of specific gay-oriented corporate activities to gay male and lesbian consumers.

While fully acknowledging the importance of ascertaining knowledge on all groups within the LGBT umbrella, this research focuses on gay males and lesbians, using a sample of 420 gay consumers in the United States and Canada, representing the largest sample of gay consumers in academic consumer research to date. Throughout this study, the term “LGBT” refers to the broader lesbian, gay male, bisexual, and transgendered population, while the term “gay” refers more narrowly to gay males and lesbians.

Literature Review

Despite the growing number of firms that have begun to tap into the LGBT “dream market” (Rigdon 1991), the topic has received relatively little attention in academic literature. To date, there have been few published studies that empirically examine the efficacy of marketing activities
targeted at LGBT consumers. The majority of published academic work has focused on gay male and lesbian consumers’ attitudes toward various types of advertising content. Only two studies have addressed the issue of gay-friendliness, despite the amount of space allocated to the topic in the popular press.

**Gay-Friendly Corporate Activities**

The term “gay-friendly” has been informally defined as “places, policies, people or institutions that are open and welcoming to gay people (to include all members of the LGBT community) to create an environment that is supportive of gay people and their relationships, respectful of all people, treat all people equally, and are non-judgmental” (www.wikipedia.org [accessed February 8, 2013]). From a corporate perspective, the term would suggest that a gay-friendly company is proactive in respecting and addressing the needs of LGBT consumers and employees (Tuten 2005). Over the past decade, many claims have been made in the popular press, by a cadre of marketing consultants and self-proclaimed market experts, of LGBT consumers’ admirable brand loyalty to gay-friendly companies. In a 2004 online survey of 107 self-identified gay male, lesbian, and bisexual consumers, Harris Interactive and Witeck-Combs Communications (PRNewswire 2013) found that almost two-thirds (64%) of these adults reported that they were likely to consider purchasing household products and services from companies that market directly to gay males and lesbians over competing brands that did not.

The HRC’s Corporate Equality Index rates companies on a scale of –25 to 100 on several factors, including whether they have a written nondiscrimination policy covering sexual orientation; support transgender employees with written nondiscrimination policies and benefits; offer inclusive health insurance, bereavement, and family leave policies to employees with same-sex partners; offer diversity training; have LGBT employee groups; engage in appropriate and respectful advertising to the LGBT community; contribute to LGBT community organizations; and decline to engage in any activities that would undermine the goal of equal rights for LGBT people. However, despite the suggested efficacy of gay-friendly marketing activities in building customer loyalty and the growing number of companies that recognize the importance of recognizing LGBT people in the workplace and the marketplace, little attention has been paid to this construct in the academic literature.

Tuten (2005) takes the first step toward testing this claim in an academic setting with an online survey of 171 gay males and lesbians and 520 heterosexual participants. The study examined gay and heterosexual people’s responses to gay-friendly and non-gay-friendly cues and the effects on brand satisfaction, brand commitment, and attitude toward the brand. Corporate gay-friendliness was operationalized by providing participants with the HRC Corporate Equality Index for one of two retail stores: Target, considered gay-friendly with an index of 86, and Wal-Mart, considered non-gay-friendly with an index of 14. The results of the study indicate that both gay and heterosexual consumers recognize the use of gay-friendly and non-gay-friendly positioning in brand communications. In addition, the HRC found no evidence of a negative reaction by heterosexual participants to gay-friendly cues: While gay consumers reacted positively to the gay-friendly cues, heterosexuals responded, at worst, neutrally and even somewhat positively to the communications.

Tuten (2006) builds on Schouten and McAlexander’s (1985) observation that various subcultures tend to pledge commitment to brands with which they perceive shared meaning and values beyond any functional value by the brand in question. According to Tuten, these brands take on both a social utility (Granovetter 1985) and a political utility (Kates 2000) for the subculture with which they align. Gay-friendly companies promote the subculture’s standing in society and provide legitimacy in matters of public policy. Tuten examines the importance of eight possible criteria for gay-friendliness: offering domestic partner benefits, advertising in gay media, using gay themes in advertising, using gay imagery or icons in advertising, identifying as gay-friendly in marketing communications, supporting gay causes, and identification by both friends and independent sources as gay-friendly.

In an earlier study, Tuten and Neidermeyer (2003) undertook a content analysis of message board discussion on www.gay.com and found that when evaluating a company’s gay-friendliness, gay consumers consider a smaller group of activities that includes corporate policies such as offering domestic partner benefits, supporting antidiscrimination policy, and encouraging acceptance of diversity in the workplace as well as advertising in both gay and mainstream media, providing financial support to gay causes, and including gay themes in advertising. Little explanation and no theoretical evidence is provided as to why Tuten (2006) expands the list of potential gay-friendly activities to include identifying as gay-friendly in marketing communications and identification by both friends and independent sources as gay-friendly. Given that the inclusion of these strategies represents a departure from conventional wisdom and previous studies that identified antecedents to gay-friendliness (Tuten and Neidermeyer 2003), the more parsimonious view of the gay-friendliness is employed in this research. Tuten (2006) suggests that the provision of domestic partner benefits, inclusion of gay themes in mainstream media, and support of gay causes may be most relevant to gay consumers when considering a company’s gay-friendliness; however, the relative importance of various tactics was not statistically tested.

More recently, Gudelanas (2011) conducted qualitative research that draws on focus group discussions among gay males and lesbians in various U.S. cities to learn more about gay consumers’ attitudes toward targeted activities. Gudelanas suggests that gay consumers are savvy about where, how, and why companies reach out to them as a demographic focus. During the focus group discussions, the gay male and lesbian participants identified several means of attributing gay-friendliness to a company, including (1) advertising in gay media, (2) gay imagery in mainstream media, (3) product placement in gay television shows, (4) sponsorship of gay events and charities, and (5) corporate employment policies toward lesbians and gay males.
Thus, from previous studies, it appears that companies must consider both workplace policies and practices and promotional strategies when appealing to gay consumers. However, to date, there has been no rigorous statistical testing of the relative importance of various activities to gay consumers, especially over a large representative sample of gay consumers.

**Individual Factors Influencing Gay Consumer Responses**

Despite calls for an appreciation of the diversity that exists within the gay consumer market (Bowes 1996; Freitas, Kaiser, and Hammidi 1996), to date, academic researchers have provided little guidance on potential individual factors that may influence the importance that gay consumers place on gay-oriented activities in evaluating corporate gay-friendliness. However, the consumer behavior literature provides some insight from more narrowly focused research into factors that affect gay consumers' responses to gay-oriented advertising that provides direction for this more expansive research.

Oakenfull and Greenlee (2005) examine how marketers may target gay consumers in mainstream media without alienating heterosexual consumers. The study treated gay males and lesbians as a single consumer segment and examined responses of both heterosexual and gay consumers to advertising content that includes mainstream imagery, implicit gay male and lesbian imagery, and explicit gay male or lesbian imagery to provide advertisers with an understanding of how to effectively cross over into mainstream media with gay-targeted advertisements. The results of this study show that gay consumers respond equally well to either explicit or implicit depictions of gay imagery and prefer both types of imagery to mainstream imagery.

While the vast majority of published consumer research focuses exclusively on gay males (see, e.g., Bhat, Leigh, and Wardlow 1996; Hsieh and Wu 2011; Kates 2000, 2002, 2004), Burnett (2000) provides the first evidence of the effect of sex differences in gay males and lesbians' attitude toward gay-oriented advertising in general. Specifically, the study finds that gay males hold a more negative attitude toward advertising than lesbians and that lesbians are less interested in appropriate homosexual portrayals in advertising than are gay males. Thus, given the differences that appear to exist between gay males and lesbians in their attitudes toward advertising, one may question whether these differences influence the efficacy of various types of advertising content that are currently designed to target gay consumers.

Oakenfull (2007) examines the effect of sex and level of gay identity on gay consumers' responses to advertising that varied on two dimensions: (1) the way gayness was depicted, either with a same-sex couple (explicit) or with gay symbolism (implicit), and (2) the sex of the same-sex couple used in the advertising. The author finds a three-way interaction of sex, gay identity, and ad content that is driven by both sex and gay identity effects for the ads that featured gay male imagery and implicit gay imagery. This research builds on previous findings to examine whether sex and gay identity play a broader role in influencing the importance that gay consumers place on a more expansive range of gay-oriented corporate activities.

**Conceptualization**

**Importance of Domestic Partner Benefits**

In this research, it is suggested that meaningful differences may exist between typical lesbian and gay male households, in terms of both economic welfare and composition, that could influence the importance that gay consumers place on specific corporate activities. According to the 2010 U.S. Census, lesbian households have an average household income of $93,083 while that of gay male households is $115,556 (O’Connell and Feliz 2011). In 2009, the gender pay gap in the United States resulted in a female-to-male earnings ratio of .77, causing a notable pay differential between households with two female wage earners and those with either a male and female income or two male incomes. The differential in household income can also be attributed to the increased likelihood that lesbians enter into lower-paying occupations, such as those in the social services, education, administration, and cosmetic services, than gay men do.

In addition, an analysis of 2010 U.S. Census data found that 23.9% of lesbian couples live in households with children under 18 years old compared with 10.7% of gay male couples (O’Connell and Feliz 2011). Given that LGBT people are more likely than heterosexuals to lack health insurance coverage (Ash and Badgett 2006), lesbians’ typically larger families make them more vulnerable to the economic consequences of a health crisis. Furthermore, LGBT families are less likely to receive family support (Kurdek 2004; Solomon, Rothblum, and Balsam 2004), which could translate into greater economic vulnerability when raising children. Finally, lesbians are more likely to be partnered than are gay men (Oakenfull 2007). As such, many more lesbians than gay men stand to gain direct economic benefit from corporate provision of domestic partner benefits.

Thus, given that lesbians tend to be economically disadvantaged relative to gay men and more likely to have domestic partners and dependents, they may place greater importance than will gay men on corporate policies that provide direct economic benefits to partners and dependents of company employees. These policies may include medical insurance, dental insurance, dependent life insurance, day care, tuition assistance, employee assistance programs, employee discounts, and sick leave. Thus:

\[ H_1: \text{Lesbians consider the provision of domestic partner benefits to employees more important in evaluating the gay-friendliness of a company or brand than gay men do.} \]

**Importance of Corporate Activities Providing Social Visibility**

Both the incidence and definition of homosexuality, bisexuality, and heterosexuality has been a topic of great debate (e.g., Bailey et al. 1996). In one relatively recent large scale sex survey, Laumann et al. (1994) reported that slightly more than 6%
of the men and more than 4% of the women surveyed reported some degree of same-sex desire, whereas fewer than 3% of the men and fewer than 2% of women actually labeled themselves gay or bisexual. Fuss (1989) highlights the difficulty involved in conceptualizing gay identity by asking, “Is identity a personal, natural, political, or linguistic category?” Most experts agree that the relationship between homosexual activity and gay identity is neither fixed nor absolute; a certain amount of interdependence exists between sexual behavior and sexual identity, where “sexual behavior” refers to the overt actions of a person and “sexual identity” refers to how a person labels him- or herself (Bailey 1995).

Troiden (1988) attempts to define homosexual identity from a social interactionist perspective. He classifies homosexual identity as a cognitive construct and a component of self-concept. Self-concept has been defined as “the totality of the individual’s thoughts and feelings having reference to himself as an object” (Rosenberg 1979, p. 7). Drawing on Cass’s (1983) conceptualization of homosexual identity, Troiden incorporates the importance of reference to social categories relevant to a specific social setting or situation to the development of a self-concept as homosexual. He argues that self-placement in the social category “homosexual” is a necessary part of homosexual identity formation, occurring commonly through interactions with other self-defined homosexuals during the “coming out” process (Plummer 1975; Ponse 1978). Consistent with Troiden’s interactionist approach to the development of a homosexual identity within a person’s self-concept, Warren (1974) suggests that the way gay people view homosexuality and gayness is more complex than the way heterosexuals view it; different criteria are used, and subtler distinctions are made, to determine who is or is not homosexual and to differentiate components of gay identity.

According to Warren (1974), whereas a homosexual identity describes a kind of sexual behavior, sexual preference, and sexual identity, a gay identity encompasses not only the dimensions of homosexual identity but also social involvement in the homosexual community and same-sex romantic (emotional) attachments (Troiden 1988). Warren’s definition usefully conveys the experience of gay identity at specific points in its formation. Thus, from an interactionist perspective, the term “gay” involves more than a certain kind of sexual orientation or sexual behavior; it also encompasses an identity and way of life.

In addition, as mentioned previously, differences in the way lesbians and gay men identify as gay and experience their gay identities (Ettorre 1980; Kitzinger 1987; Rich 1980; Rust 1992, 1993) may influence the importance that lesbians place on corporate gay-friendly activities relative to gay men. Feminist theorists suggest that the lesbian identity is distinct from that of gay men because lesbians face simultaneous oppression based on their sex as well as their sexual orientation (Bristor and Fischer 1995; Rich 1980; Rust 1992, 1993). As the lesbian feminist Adrienne Rich (1980, p. 635) describes, a lesbian continuum puts woman-identifiedness at its core, a result of the sociohistorical oppression of women:

To equate lesbian existence with male homosexuality because each is stigmatized is to deny and erase female reality once again. To separate those women stigmatized as homosexual or gay from the complex continuum of female resistance to enslavement, and attach them to a male pattern, is to falsify our history. Parts of the history of lesbian existence is, obviously, to be found where lesbians, lacking a coherent female community, have shared a kind of social life and common cause with homosexual men. But this has to be seen against the differences: women’s lack of economic and cultural privilege relative to men, qualitative differences in female and male relationships.

Rich (1980) believes that a definition of the lesbian existence necessitates a disassociation of lesbian from male homosexual values and allegiances. She perceives the lesbian experience as being a profoundly female experience, with particular oppressions, meanings, and potentialities we cannot comprehend as long as we simply bracket it with other sexually stigmatized existences. As such, lesbianism is more than sexuality; it is the emotional and psychological identification of women with other women.

For lesbians, the gay rights movement of the 1960s and 1970s was experienced in tandem with the ideologies of Second Wave feminism that underpinned the women’s movement (Sender 2004.) Rich’s lesbian continuum and the influence of the women’s movement have contributed to the idea of a “sociopolitical lesbian” who rejected the “commodified sexual world of gay men” (Badgett 2001, p. 133). According to Sender (2004, p. 420), lesbian feminism separated lesbians from gay men, whom “they saw as invested only in the hedonistic here and now of an increasingly open public sexual culture.” The concept of a sociopolitical lesbian has been confirmed in empirical studies based on lesbian samples (see Ettorre 1980; Kitzinger 1987; Ponse 1978) but largely ignored by theories of homosexual identity development. Eliason (1996) suggests that this may be because such theories are based on individual, intrapsychic variables that cannot account for such a concept; a perspective based largely in the sociopolitical context of feminism is required to capture the essence of the political dimension of lesbian identity. While the term “political lesbian” is widely used in studies of lesbian identity, the term “political gay man” does not appear to exist (Eliason 1996). Indeed, research findings indicate that for gay men, sexual identity has been primarily associated with gay activity, whereas for lesbians there is a much stronger political and emotional component (Eliason 1996). Thus, even though lesbians have a shared identity as homosexual with gay men, due to the patriarchal nature of society as a whole and the distinctiveness of lesbian identity, lesbians may be less willing to readily identify with advertising containing gay male imagery than marketers assume.

Drawing on Peñaloza’s (1996) suggestion that marketplace incorporation is important in the path to the social legitimization of the LGBT population, the more sociopolitical identity of lesbians may cause them to place more importance than do gay men on corporate gay-friendly activities that result in societal legitimization within mainstream society rather than simply chasing the attractive gay dollar (Peñaloza 2000; Kates 2004) Thus, when considering the importance of external gay-friendly activities,
Impartance of Gay-Oriented Advertising

Advertising in Mainstream Media

Given the findings of previous research (Oakenfull 2007; Oakenfull and Greenlee 2005), biological sex and gay identity may be expected to have an effect on the importance that gay consumers place on gay-oriented advertising activities. Despite the growing availability of gay-targeted media offerings, readers of lesbian magazines represent a small proportion of all lesbians in the population (Oakenfull 2007). While dedicated lesbian publications suffer from low circulation, mixed-audience gay publications do not attract substantial numbers of women. For example, only 25% of readers of The Advocate, titled the “leading gay and lesbian magazine in the world,” are lesbian. The 2004 Gay/Lesbian Consumer Online Census, consisting of 5000 consumers mostly 18–24 years of age, indicates that lesbians consume less of all types of gay media than gay males. Furthermore, 29% of gay males read gay-oriented magazines weekly, compared with only 15% of lesbians; 28% of gay males read gay-oriented newspapers weekly, compared with only 14% of lesbians; and 48% of gay males visit gay-oriented U.S.-based websites daily, compared with 23% of lesbians.

Lesbians’ lack of commitment to gay media relative to that of gay men may be attributed to a perceived lack of representation in gay media that claims to be tailored to both gay men and lesbians. Marketers have, almost exclusively, targeted gay consumers using gay male imagery in advertising placed in gay print media (Baxter 2010). In a content analysis of advertising in The Advocate, whose circulation is 88,000, Oakenfull and Greenlee (2013) find that lesbian-targeted imagery accounted for only 3% of advertising content in 1999. This bias toward gay male consumers can be attributed to one of two realities: (1) marketers have simply chosen to ignore the lesbian market due to the gender differential that exists in incomes (Albelda et al. 2009), or (2) they endorse the erroneous belief that a gay-men-oriented ad will also be effective in targeting lesbians who will translate subtext and code in gay marketing to see themselves represented in the advertising (Schulman 1998). As a result of this lack of representation, only a small proportion of lesbian consumers read gay media, while more than 80% of lesbians reportedly read mainstream magazines such as Newsweek, Time, People, National Geographic, Vanity Fair, and Consumer Reports (Tharp 2001).

In addition, researchers suggest that gay-themed advertising in mainstream media plays a more important role than advertising in gay media in legitimizing the gay social movement within mainstream society (Greenlee 2004; Kates 2004; Oakenfull 2004; Peñaloza 2000). Thus, in line with lesbians’ more sociopolitical identity, H3: Lesbians consider a company’s placement of gay-themed advertising in mainstream media to be more important in evaluating the gay-friendliness of a company or brand than gay men do.

Advertising in Gay Media

Finally, given the paucity of lesbian readership of gay media, it is reasonable to suggest that gay men may place more importance than lesbians in advertising in gay media when considering a company’s gay-friendliness. However, variance exists in the degree to which gay men are identified and involved with the gay community that may influence their perceptions of the importance of advertising in gay media.

Given that gay people can experience the identity development process differently (Kates 2002) and that gay people present variation in terms of desires, behaviors, and self-identification (Laumann et al. 1994), the homosexual population includes a large variety of people manifesting different rates of belonging and attachment to the gay community and various levels of social visibility of their sexual orientation (Visconti 2008). Vanable, McKirnan, and Stokes (1994) provide a notable distinction between gayness as something a person feels and gayness as something a person does. In a study of gay men, the authors find that, although homosexually active men are often considered part of the same homogeneous group, there are substantial individual differences in the degree to which they self-identify as gay and the extent to which these men perceive themselves to be part of the larger gay community (see also Stokes, McKirnan, and Burzette 1993; Vanable, McKirnan, and Stokes 1994). Those heavily involved in the gay subculture tend to be completely identified with all aspects of the gay world or subculture and feel a strong sense of belonging to and with other members of the subculture (Vanable, McKirnan, and Stokes 1994). They are also more likely to be more heavily involved in the gay community in terms of attending gay male or lesbian organizational activities, frequenting gay bars, and reading gay media (Vanable, McKirnan, and Stokes 1994). Thus, while internal gay-friendly activities, such as the provision of domestic partner benefits or the existence of a nondiscrimination policy based on sexual orientation, require no involvement with the gay community to provide a benefit to every gay person employed by a participating company, external gay-friendly activities tend to be enacted within the dimensions of the gay community—for example, gay causes and organizations, gay bars, and gay media. As a result, perceptions of the importance of external gay-friendly activities may be affected by a person’s gay identity as it relates to his or her involvement in the gay community.

As such, gay men who read gay media are likely to consider it more important that a company places its advertising within those media outlets than those who do not read gay media. As such, gay identity should moderate the importance that gay males place on advertising in gay media when evaluating a company’s gay-friendliness. Therefore:
H2: Gay males who strongly identify with the gay community consider ads in gay media more important in evaluating the gay-friendliness of a company than gay males who weakly identify with the gay community.

Methodology

Given recent estimates that LGBT people constitute 3.5% of the U.S. population (Gates 2011), a randomized sampling procedure would be unlikely to yield a sizable sample of LGBT participants. A snowball sampling procedure was used in which I distributed surveys to participants at an international gay and lesbian choral festival in Montreal, attendees at a gay pride festival in Columbus, OH; and members of the gay and lesbian employee group at a mid-sized midwestern university (Hildebrand et al. 2013). Participants in the study consisted of 405 self-identified gay adults, including 208 women and 197 men. Participants’ ages ranged from 18 to 75 years, with a median age of 34–44 years, and they had a median household income range of $50,000–$74,000.

Each participant was presented with survey that began with the following statement:

As you know, companies and organizations are often evaluated on how “gay-friendly” they are. So, we’re interested in knowing what characteristics are important to you in determining whether or not a company or organization is “gay-friendly.”

Results

The findings of this research provide support for all hypothesized effects and suggest that it is important that companies avoid a treatment of gay consumers as a group with monolithic preferences and perceptions.

As Table 1 indicates, lesbians’ typically weaker socioeconomic status leads them to consider activities perceived as producing an economic utility as more important than gay men when evaluating a company’s gay-friendliness. Specifically, consistent with H1, lesbians consider the provision of domestic partner benefits to employees (M = 8.13) more important in evaluating the gay-friendliness of a company or brand than gay men (M = 7.79; F(1, 372) = 3.266, p = .036). In addition, H2 proposes that lesbians consider activities that contribute to legitimization of the gay and lesbian movement within mainstream society more important in evaluating the gay-friendliness of a company or brand than gay men. Specifically, consistent with H2, lesbians consider it more important when (a) a company self-identifies as gay-friendly (M = 6.88) than do gay males (M = 6.43; F(1, 372) = 4.492, p = .018) or (b) corporate supports gay causes and organiza-
tions (M = 7.63) than do gay males (M = 7.26; F(1, 372) = 3.482, p = .032). Similarly, consistent with H3, lesbians consider a company’s placement of gay-themed advertising in mainstream media more important (M = 6.99) in evaluating the gay-friendliness of a company or brand than do gay men (M = 6.61; F(1, 372) = 3.307, p = .035).

Finally, Table 2 provides evidence of the moderating effect of identity with the gay community among gay men. Consistent with H4, gay men who are strongly identified and involved with the gay community and who are most likely to be readers of gay media, consider placement of advertising in gay media to be more important (M = 7.54) when evaluating a company’s gay-friendliness than do those who are weakly identified and involved (M = 6.48; F(1, 372) = 14.326, p = .000).

Conclusions

The results are consistent with the theoretical perspectives offered and advance prior research in several important directions. This research examined the effect of sex and identity with the gay community on the importance that gay consumers place on various corporate activities when evaluating the gay-friendliness of a company. Given the important role of differences in gay identity and sex on gay males and lesbians’ response to gay-oriented advertising identified in previous research (Bhat, Leigh, and Wardlow 1996; Oakenfull 2007; Oakenfull and Greenlee 2005), a consideration of the effect of these two individual factors on gay consumers’ evaluations of the importance of various marketing activities seems appropriate. Many observers view gay men and lesbians to be on opposite ends of an emotional and behavioral spectrum (Ettorre 1980; Kitzinger 1987; Ponse 1978; Rich 1980); thus, it is important that marketers fully understand both what separates and what connects these two groups and how it may affect the efficacy of various gay-oriented marketing efforts.

According to the findings of this research, lesbians appear to place more importance than do gay men on most LGBT-oriented corporate activities when evaluating a company’s gay-friendliness. It is proposed here that because of their increased likelihood of direct economic benefit, lesbians will place more importance than will gay men on a company’s provision of domestic partner benefits when evaluating its gay-friendliness. In addition, drawing on the sociopolitical nature of lesbians’ gay identity and the desire for social visibility that drives the gay social movement, lesbians will place more weight than will gay men on a company’s effort to identify itself as gay-friendly in its marketing communications and provide financial support for gay causes.

Similarly, given the impact that sex and identity with the gay community has on the media habits of gay consumers, this research indicates that companies must understand the power of the medium among gay consumers. As such, they must clearly define their intended target among the gay population and their readership habits to make effective use of their advertising dollars within the gay market. Given their low readership of gay media and the lack of social visibility provided by the medium, lesbians place far greater importance on advertising in mainstream media than in gay media. Companies must also realize that when placing advertising in gay media (which, in reality, tends to be gay male media), gay identity plays a role in affecting the importance that gay males place on this advertising when evaluating a company’s gay-friendliness. Among gay males, those who more closely identify with the gay community consider a company’s advertising in gay media more important than do those who identify less with the gay community when evaluating a company’s gay-friendliness.

Thus, even if the statistic is to be believed, not every gay male and lesbian will show loyalty to companies that engage in gay-oriented marketing. To make effective and efficient marketing mix decisions, marketers must avoid the common practice of thinking of the gay market as a monolithic and homogeneous segment of all gay people.

Discussion

The gay social movement has shifted from the calls for sexual freedom and fluidity that flourished in the 1970s and 1980s (Altman 1987) to present-day demands for equal treatment under the law. Given that research in the social sciences suggests that a homogeneous gay identity is more likely to exist in opposition to high societal intolerance of homosexuality (Troiden 1988), societal shifts in attitude toward homosexuality in many countries over the past few decades may have changed the prominence of gay identity among LGBT people’s self-concept. The majority of Americans both believe that same-sex couples should be allowed to be married (Newport 2011) and oppose job discrimination on the basis of sexual orientation (Burns 2012). In addition, the growing fluidity of gender roles and gender expression in Western society (e.g., metrosexuals, female hockey players, female heads of state) diminishes the culturally defined link between homosexuality and gender-inappropriate behaviors. Thus, as societal stigmatization of people based on sexual orientation diminishes, it follows that a gay man or lesbian is less likely to consider that identity more definitive of his or her self-concept than identities such as sex, gender, and race. Given that effective communication relies on strategies that target consumers can readily identify (Jaffe 1991), it is, therefore, important that corporations fully understand the role that gay identity plays in LGBT consumer attitudes and behavior.

Notably, corporations’ tendency to treat LGBT consumers as members of a single market may stem from corporations increasing participation in the public debate on equal rights for LGBT people. Discrimination based on sexual orientation at all levels of public policy unites the LGBT population in its fight to achieve equal rights in a way that the marketplace does not. Thus, despite their role as advocates in the fight to secure equal rights, corporations must learn to distinguish LGBT people as citizens and LGBT people as consumers. The reality is that many niche segments exist within the gay population. This research explores the effect of two segmentation descriptors—sex and gay identity—but this market mirrors the mainstream in its need for carefully considered strategic targeting and marketing tactics that are chosen to effectively resonate with the chosen target consumer segment.
In addition, government agencies have often referred to corporate treatment of their LGBT employees as a leading indicator when enforcing policies that provide protection from discrimination based on sexual orientation for both citizens and employees. In recent years, corporations have gone beyond developing inclusive internal policies and gay-oriented marketing practices to begin to influence the treatment of the LGBT population in public policy. Drawing on Ragusa’s (2005) taxonomy of corporate treatment of the LGBT population, it may be that corporations have shifted again from the corporate pursuit of the 2000s to “corporate advocacy” in the current decade. In 2012, companies such as Microsoft, Starbucks, and Google were among 48 corporations signing a brief arguing to the federal appeals court in Boston that the Defense of Marriage Act was bad for business. In New York, corporations were influential in persuading legislators to pass a bill legalizing same-sex marriage.

Reflecting how far the corporate world has begun to shape both public opinion and public policy in recent years, three of the leading groups opposed to same-sex marriage have recently written letters and press releases urging corporations to remain neutral on marriage. Given the significant role that corporations appear to play in influencing public policy, it is important that corporations’ treatment of the LGBT population in the marketplace signals the need for a more granular treatment of the LGBT population in public policy. Once the most basic civil rights based on sexual orientation that benefit all members of the LGBT population have been secured, some legal and public policy issues may be of greater interest to one segment of the LGBT population than another. For example, discrimination on the basis of gender identity will clearly be most relevant to transgendered people; given their increased likelihood to be parents, state adoption laws will be of interest to more lesbians than gay males; given that gay and bisexual men are more severely affected by HIV than any other group in the United States (Center for Disease Control, 2012), policies focusing on HIV/AIDS research, treatment, and individual rights will be most pertinent to gay men. As in the marketplace, an understanding of the diversity within the LGBT population should play a strong role in defining which areas of public policy are most important to subgroups within the population.

References


