

The Pink Dollar Is At Par

Want to connect with Canada's LGBT community? What brand *doesn't*? It's an identifiable niche market with spending power that would make a CMO drool, not to mention hyper loyalty to companies that get it. But one misstep and all that advocacy can turn into a PR nightmare. Welcome to the party. Mind the hazards

BY EVRA TAYLOR

“Cuz my haters are my motivators.” It was the anthem of the day and the battle cry for what took place in New York City on Feb. 11, 2012.

That day, much of the battlefield was mapped out at 901 Avenue Of The Americas at 2 p.m. The usual push and shove of scurrying pedestrians on crowded Manhattan streets was replaced by a sea of police and security guards. The armed presence was in anticipation of a “pink revolt” backing the internationally publicized decision by JCPenney to appoint Ellen DeGeneres as the retailer’s spokesperson. Lesbian, Gay, Bisexual and Transgender (LGBT) supporters donned pink outfits to signal their support for both Ellen and JCPenney, the normally staid big-revenue chain that had stuck its nose out for the LGBT cause despite the ardent protest of the anti-gay One Million Moms organization. Onlookers cheered—no doubt some jeered—and held cellphones high to capture the action.

It’s seminal situations like this that tell the story of the LGBT community in North America—its challenges and victories. Brands that channel the LGBT experience into their messaging and initiatives can get an increasingly vocal and powerful—both socially and economically—consumer advocating on their behalf.

But there are as many pitfalls as payoffs.

Why market to the LGBT community? Laurence Bernstein, managing partner of Protean Strategies, a Toronto firm that conducts research and develops business strategies for

global companies in the LGBT market, says marketing to this community makes good business sense for two fundamental reasons. “First, it’s an identifiable niche market for certain categories where it’s possible to get a competitive advantage—the travel industry, for example,” he says. Travel is a category that can be isolated and contextualized in terms of marketing to a straight or a gay couple, whereas there are no real differences between the reasons a gay or straight couple would buy a car.

Second, says Bernstein, marketing to the LGBT community is increasingly an important part of corporate diversity initiatives. “Internal initiatives, often referred to as employee associations—in the LGBT world, GALAs, which stands for gay and lesbian associations—are intended to create a positive environment for all employees.”

Bernstein points out that these associations spearhead LGBT-directed marketing programs within their organizations, in some cases separate from the marketing department. This commitment to “getting your house in order first” builds a rich pool of perspectives and ideas from which to develop LGBT outreach. “One could be forgiven for not being quite clear as to whether these initiatives are PR exercises or LGBT marketing initiatives,” says Bernstein.

Another reason to covet the LGBT sector is its sheer size—larger than any other identifiable market segment in Canada. However, the numbers game is tough to play with any precision. A person may identify as part of an LGBT segment for their travel purchase, but not when they buy their groceries. Still, one can’t deny the economic impact of LGBT consumers in Canada: their total before-tax income amounts to roughly \$98 billion, equating to approximately 7.2% of the GDP. This is of

Lessons from OUTtv



From launching as the world's first LGBT channel (and going bankrupt five years later), to growing an audience of more than a million in Canada, OUTtv's journey offers many lessons in how to connect with an elusive community

In six short years, Vancouver-based OUTtv has grown from an underfunded channel with shaky revenue and a few incarnations to a highly successful TV station whose reach extends beyond the LGBT community.

Launched as Pridevision in 2001, the world's first LGBT channel filed for bankruptcy five years later after failing to secure adequate cable coverage. Prominent film and TV producer James Shavick, whose TV credits include *The New Addam's Family* and *Ninja Turtles* for Fox Family Channel, relaunched the station and now serves as CEO. His wife, former B.C. Finance Minister and NDP political figure Joy MacPhail, is chair of the board.

Since 2006, OUTtv has grown into a successful TV brand with a subscriber base of more than a million. Brad Danks, chief operating officer, says that it's critical to understand what medium you're in and that as a TV brand, there are three partners to consider: the audience; cable carriers, telecommunications companies or satellite providers; and advertisers.

"OUTtv's biggest early mistake was thinking that if you have an audience, you also have a business. That works in print, but not in TV. It's one thing to provide something that's unique and good. But your product has to straddle those three groups to be something everyone agrees works," says Danks.

OUTtv's journey paints a picture of necessary evolution. Early on, the station transitioned out of carrying a heavy load of adult content in favour of developing more of a lifestyle brand. "Our core is issues around inclusiveness, empathy and the values that really matter to the LGBT community, rather than an in-your-face approach," says Danks. "Also, because we were a crossover brand, we wanted to introduce not just LGBT concerns, but to cross over to more mainstream issues."

Currently, OUTtv is in every Canadian province, broadcasting a mix of international independent films, documentaries and drama. As Danks notes, the "least-secret secret" and the biggest surprise about OUTtv is its audience: it boasts a large number of straight female viewers who are big fans of the programming. And one of the more unexpected comments came from a Rabbi who said to Shavick, "We love the channel's movies."

As part of its growth cycle, OUTtv is in the process of jumping to HD. "We should have 80% to 90% penetration this time next year in cable and telecommunications companies," says Danks. The station has also carved out a major presence on social media. It has almost 10,000 Facebook fans, more than 8,000 Twitter followers and has targeted other social platforms like Pinterest.

One of the things Danks appreciates most is the LGBT community's brand loyalty. "From a marketing perspective, if this audience knows you care about them, they'll want to be with you. They're very big on rewarding those who care about them. So it's very gratifying to receive feedback every day that says, 'I really appreciate what you did.' It does really help the mission to know you've got such a thoughtful group of people that you're working with."

some significance as the estimate of the number of LGBTs as a percentage of the total population is slightly under 6%. The LGBT population punches above its weight by approximately 22% (taking into account such factors as having fewer dependents). What this means is that the average LGBT person has 22% more spending power than the average Canadian.

Darrell Schuurman, president of Travel Gay Canada, a not-for-profit organization that promotes Canada as a "go-to" destination for the LGBT community and managing partner of DNA Marketing Group, is a proponent of hyper-segmentation. "There is no gay market," he insists.

Huh?

"There are multiple segments within the LGBT market. If you really want to be successful, you need to really target and segment. If you're a family resort for people with lots of kids, that's an example of a group to target." His advice to marketers is "to know who your market is. Too often we group the LGBT market into one market, but you wouldn't go after the straight market without segmenting."

Schuurman points to Starwood Hotels & Resorts ads and its W brand as an example of segmenting done well. In fact, in February of this year, the company announced that it had scored a 100% rating on the Human Rights Campaign (HRC) 10th annual Cor-



Sunil Sekhar, VP management director, Drafftcb

porate Equality Index and is a recipient of the HRC "Best Places to Work for LGBT Equality" award. "They have really focused on the higher-end, affluent male in their campaigns," he says. A 2007 ad for the Sheraton Pretoria Hotel, owned by the Starwood chain, is entitled "Forever is Invited" and features two couples—one male and one female—tying the knot.

So how do you create an authentic conversation with LGBTs? By being genuine, committed and invested. "We really put our money where our mouth is," says Al Ramsay, branch manager at TD Trust Canada. "We were one of the first financial institutions ever to get out there into mainstream advertising. We've won numerous awards, but we don't do this for awards. Really and truly, it's all about research and insights."

"There isn't a lot of data out there, so TD does its own proprietary research and gathers insights from employees and external partners. "They tell us what we should and shouldn't do," he says.

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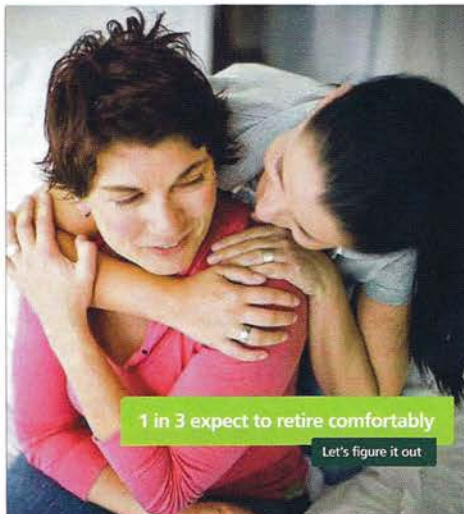


Pride Parade & Festival: June 22–July 1, 2012
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Schuurman offers a two-step strategy for better connecting to the LGBT market. “First, be authentic to your brand and have a good understanding of what the consumer is looking for,” he says. “Second, it’s important to be committed to the market and not just see it as pink washing.” More than one pundit noted with displeasure that marketers new to the LGBT sector tend to view it as a quick cash grab. “Let’s be honest about it,” says Ramsay. “Everyone is in business to market products and purposes. We’re not doing this for some altruistic reason. Ultimately, LGBTs represent an important audience that has money. But what is great for me is that TD really believes that what they’re doing is right morally and ethically.”

Getting your house in order is key in developing best practices in LGBT marketing. This involves both internal policies and external community involvement. The Campbell Company of Canada is lauded as one of the leading Canadian brands that does it right. Mark Childs, vice-president marketing, voices his passion about marketplace diversity inclusion, both as a gay man and as a marketer of one of Canada’s most iconic brands. His journey began seven years ago when he asked Campbell’s HR team what it’s like to be gay and work at Campbell’s. The answer: “We don’t know.” It was a pivotal moment for Childs. The result was a marketing campaign for various minority populations, including the disabled, natives and LGBTs.

In 2007 Childs founded OPEN (Our Pride Employee

Network), a global employee network whose mission is to advance policies and practices for LGBTs, as well as their supporters. One of his learnings has been to engage employees' families, friends and allies. "An ally can be a straight parent or grandparent. It can also mean an unconventional family or a colleague who is supportive of the individual in their entirety," says Childs. How does creating a climate of inclusion show up in practical terms? It might mean bringing your partner to the annual Christmas party, something that is relatively new for LGBTs.

As part of its efforts to promote inclusiveness, Campbell's began using the HRC survey of best places to work for LGBTs. HRC is an organization that advocates on behalf of LGBT Americans. In 2006, Campbell's had an 80% rating, which increased to 100% following the launch of OPEN. And in terms of hiring practices, the company participates in Out and Equal Workplace Advocates' annual conferences, which Childs describes as "probably the one destination on the annual calendar in North America where LGBT talent can be recruited."

Childs' Campbell's story has come full circle from "We don't know" seven years ago. "Now we do know. We have stepped slowly and steadily into a workplace environment where there are no gaps between the internal and the external. We want people to bring their whole selves to work."

TD has also been heralded as a brand to watch and emulate. Ramsay has been involved with the bank's diversity initiatives for many years, not only in the LGBT sector, but in women's and minority rights as well. "You have to be seen as a true community partner," he says. "TD takes a three-point approach: customer,

employee and community."

In 2005, no one wanted to sponsor a Pride event, he says. "When we approached Pride Toronto and said we'd like to be a corporate sponsor, they almost fell off their chairs."

In the early days, not all reaction was positive. Churches even cancelled their bank accounts as a result of the bank's support of the LGBT community. Ed Clark, then chairman of the board, was steadfast. "Tell them that we are upset that they're upset because these are our customers and we're treating them no differently from everybody else," said Clark. "This is an inclusive culture that we're trying to build here."

"That is something I'd so proud of," says Ramsay.

Sunil Sekhar, vice-president, management director of TD's advertising agency, Draftfcb, says that as far back as 2005, TD wanted to make sure that it lived the idea of inclusiveness before trying to market it to the community. "They started within the organization where people from the LGBT community were encouraged to be themselves. Their lifestyle was celebrated and acknowledged. Our marketing efforts say, 'We recognize you as an important part of the fabric of Canada. We want to acknowledge what's important to you both at the branch level and in other communications in the marketplace.'"

Not all, but most, of the advertising campaigns that Draftfcb does for TD—such as the bank's investment and everyday banking campaigns—have an LGBT component. In addition to targeted advertising in LGBT publications across Canada, TD was the first Canadian financial institution to profile same-sex couples in mainstream advertising. "We've done executions depicting two men or two women. We're not gay vague. We're pretty open that this is signalling LGBTs. We incorporated LGBT ads in the recent RSP campaign and other same-sex couple ads are planned for the remainder of the year," says Sekhar.

Draftfcb takes a "simply logical" but studied approach to the creative process in LGBT communications, says Sekhar. "We consult people from the community to make sure that we're not crossing any lines and that we're being respectful. We don't do it in a vacuum. We ensure that our communications are reflective of the TD brand, respectful, and true to their lifestyle and how LGBTs are out there living their lives."

South of the border, things have heated up over the years. In 2008, The U.S. Campbell Soup Company created an LGBT advertising campaign for its Swanson broth brand. The anti-gay American Family Association protested vehemently, but Campbell stuck to its guns. According to an *Ad Age* interview at the time, Campbell made no apologies for the series of ads, which it said were its first in any LGBT publication. "Our position on this is pretty straightforward," said company representative Anthony Sanzio. "Inclusion and diversity play an important role in our business, and that fact is reflected in our marketing plan." Later that year, Campbell's launched a Christmas ad campaign in LGBT media.

As an award-winning business journalist, New York-based Michael Wilke has charted gay marketing, media and advertising since 1992. Wilke talks about "gay marketing" as an example and instrument of social change.

"Right now, I'm impressed by JCPenney," he says. When One Million Moms called for a boycott after DeGeneres became its spokesperson, JCPenney refused to relent. Instead, it followed up with Father's and Mother's Day ad campaigns featuring same-sex couples and their children. "Not only have they done it, they've come out loud and proud," says Wilke.

What are the results of all this risky effort? Wilke notes that

JEFF SMITH APPOINTMENT NOTICE

Bill McDonald, President and Publisher, Metro English Canada, is pleased to announce the appointment of Jeff Smith to the position of Vice President, Creative.

In this new role, Jeff will be responsible for leading Metro's creative team, working closely with advertiser and agency partners to provide innovative solutions that will integrate with the Metro brand on all of its platforms and across all of its businesses.

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it's the question everyone wants to ask, but companies don't publish these types of statistics. Several marketers reported receiving extremely positive feedback from consumers who appreciate their efforts on behalf of LGBTs. Wilke asserts that "the success is also in the fact that it's being done repeatedly by certain companies. It's become more mainstream."

Market researcher and communications strategist Bob Witeck works alongside agencies of record to develop brand messaging. He is the founder and president of Witeck Communications in Washington, D.C. and raises the little-discussed issue of the intersection of race and sexual identity. "I tell our clients that images of LGBT people have to be multi-racial. It's truthful because same-sex couples are more likely to be multi-racial than their heterosexual counterparts. Being brave just requires you to be brave on one more thing." Witeck asserts that his long-standing client, American Airlines, "has done more than almost any other company. They've created a great sense of affinity and loyalty through what they've done." He cites its dedication to inclusiveness as particularly bold given the airline's dogfight for profits.

Witeck explains that American Airlines is being rewarded because over the years, for every benchmark used in terms of identity, loyalty, affiliation and consideration among gay consumers, it always comes out on top. And now, more airlines are entering the field, such as Jet Blue and Delta. "That's a good thing. I favour all that because I think it makes every company more conscious of earning and sustaining that position. And I think that they see it that way."

* * *

While understanding the community is vital for any marketer hoping to connect with LGBT consumers, the basic rules of marketing also still apply.

Last year, Tourism Toronto ran a Toronto Pride campaign encouraging people to visit the city for the event.

Travel Gay Canada's Schuurman weighs in on what was dubbed a colossal mistake by some and an in-your-face success by others.

"They had a small budget so they decided to create the "Pride Pump 2000X" video and release it on YouTube. They wanted to be a bit more playful and edgy and decided on a video that played on the typical stereotypes within the LGBT market, in tongue-in-cheek style."

The result: Annie Lenox meets a gay cadre of extremely well-oiled young men. She sings a little ditty called "Keep Young and Beautiful" in 1920s gramophone style that belies the modern-day gym scenario in which a motley crew of men and women pump iron. The parody is littered with plenty of contracted-butt shots. The lyrics advise, "Keep young and beautiful if you want to be loved. If you want to exercise all the fat off, take it here, take it there."

"When it launched, there was a lot of dialogue, both positive and negative," says Schuurman. "But it was successful because it created that conversation with the community and they had developed and executed it in a way that really showed they knew their market and felt like they could create something that they would have fun with."

The video may not be an expression of the highest art, but it worked in piquing interest and getting a conversation going—which is key to engaging any community. **M**

The ABC's of LGBT

We asked speakers at our inaugural "Connecting With the LGBT Community" conference for their quick tips on the do's and don'ts of getting the conversation started... and keeping it going



Al Ramsay, TD Bank

- 1 Do your homework and understand the community.
- 2 Make sure you get your internal house in order first, so that your organization reflects your public persona.
- 3 Don't view the LGBT segment as a quick cash grab. This is a savvy group of consumers and they'll see right through it.
- 4 Be authentic, not stereotypical. Don't be disingenuous.
- 5 Be a true community partner that genuinely cares about the interests of the community.



Bob Witeck, Witeck Communications

- 1 Emulate companies like American Airlines. It's also been sponsoring LGBT non-profits for many years and is enjoying tremendous loyalty from the LGBT community as a result of its efforts.
- 2 Don't repeat the errors of companies that walk into the LGBT community looking for pink dollars. They're not serious and they expect to reap results immediately.
- 3 Consider the online space because that's where you'll find traction. LGBTs have been early adopters of online purchasing because of the anonymity and safety it offers.
- 4 Sometimes people dumb this group down through inaccurate stereotypes. They're not all wealthy; and they're not all raising kids, so not all of them are saving for braces and college.
- 5 Not all LGBTs are Caucasian: ads should be multi-racial. This is not only important, it's also truthful because same-sex couples are more likely to be multi-racial than heterosexual couples.



Michael Wilke, business journalist, LGBT consultant

- 1 It used to be enough to drop an ad in gay media and declare yourself gay-friendly. Today you not only have to court the gay community, you have to show that the proof is in the pudding: stick to your guns when criticism comes your way.
- 2 LGBTs particularly notice and respect companies that are seen to have taken a risk to represent the community. JCPenney is a good example of this because in the face of opposition, it put out even bolder ads than before.
- 3 You must show that you care about both your employees and consumers.
- 4 Don't send a mixed message like giving money to a homophobic organization.
- 5 Be consistent. Avoid serious missteps—anything that's going to appear homophobic or inconsistent with past behaviour.