

CRAIN'S

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QUEER EYE FOR THE AD BUY:
Qtopia's David Morganlander says he'd like every national advertiser to apply a portion of its budget to reaching gays.

SELLING

Ads are coming out

Marketers target gays through mainstream media

BY MATTHEW FLAMM

Anyone roaming around the radio dial will hear advertisements aimed at soccer moms, inner-city teenagers, older theatergoers and younger sports fans. But it wasn't until one morning in October that David Morganlander heard an ad aimed at him, a gay man looking for a date.

The ad for dating service mygaydar.com, which ran on the *Howard Stern Show*, was his eureka moment. Then a vice president at Interep, a radio ad sales agency, Mr. Morganlander decided the time was right for national advertisers to target gays and lesbians on a larger scale than they ever had before.

Six months later, Mr. Morganlander is president of marketing firm Qtopia Media, which has allied with Interep and outdoor media giant MacDonald Media to help companies and

Marketers targeting gays, lesbians

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their advertising agencies reach gays and lesbians. His firm joins a growing roster of companies serving an increasingly large group of advertisers keen to reach gay audiences.

The rising interest is clearly evident in the numbers. According to Rivendell Media, which tracks advertising trends in more than 200 gay and lesbian publications, ad spending by both automakers and financial services companies tripled last year. Expenditures hit \$6.3 million and \$2.3 million, respectively. Meanwhile, spending by airline and travel firms soared by nearly 700%, to around \$5 million.

While the dollar figures are still puny relative to what advertisers spend on mainstream media, those sums clearly show that the market is exploding.

"We have more automotive, fashion and travel advertisers coming to us and saying this is the market they want," says Mr. Morganlander. "Our goal would be for every national advertiser to take 6% to 8% of their advertising budget and apply it to the (gay and lesbian) community."

Alluring target

The reason for advertisers' interest isn't a secret. The annual buying power of the approximately 15 million-strong gay and lesbian population adds up to \$485 billion, according to marketing firm Witeck-Combs Communications.

Historically, advertisers have reached this segment, known as GLBT, for gay, lesbian, bisexual and transgender, through niche publications, including *Out* and *The Advocate*. Lately, though, that's begun to change.

Last year, Absolut vodka, an advertising mainstay of gay publications, shipped its "Absolut Out" billboard, with its "Coming out" theme, on a three-city tour. The liquor company also ran an insert version of the ad in *The New Yorker* and *Elle Decor*. Meanwhile, IBM has run an ad featuring Simon Doonan, the openly gay creative director of Barneys New York, in *The Wall Street Journal* as well as *The Advocate*.

Subaru recently broke new ground when it ran the first gay-specific automotive ad in a general-interest publication. The advertisement appeared in *Vanity Fair's* December issue, among articles on gay-themed television shows. Volvo and Jaguar have also launched gay-specific ads.

Qtopia, meanwhile, is trying to persuade some of those companies to put their gay ads on the radio waves and street corners. It is offering advertisers a Dance Party Network of Top 40 radio stations, along with billboards and kiosks in mostly gay neighborhoods.

Many experts say that growing public acceptance of gay lifestyles has helped to open the door to advertising in the mainstream media.

"When we did the Ikea spot in 1994, which had two guys shopping, there were bomb threats," recalls Patrick O'Neill, group creative director at ad agency TBWA/Chiat/Day, referring to a groundbreaking commercial by the furniture retailer. "Now, especially with people under 30, the definitions don't matter as much."

But advertisers eager to target the market still need to reach gays and lesbians in a way that is both efficient and effective.

Out and *The Advocate* are low-

cost and therefore efficient, but with circulations at only around 100,000 copies each, they're not effective on a large scale. Hit shows such as *Will and Grace* and *Queer Eye for the Straight Guy*—instrumental to the increasing mainstreaming of gays and lesbians—reach a large gay audience as well as a large straight audience. They're effective but not efficient, since advertisers end up paying for a lot of people they don't want to reach.

Hard choices

"There's a vacuum right now," says Howard Buford, chief executive of Prime Access Inc., a marketing firm with a multicultural practice. "The question of extending reach while maintaining efficiency is one of the immediate issues in the gay and lesbian market."

The market has become so attractive, however, that a possible solution may be in the works. It is one that was unthinkable a few years ago: a gay television network.

Viacom is once again developing a gay cable channel, a project it put off some years ago. In addition, Canadian cable network PrideVision TV plans to launch in the United States, and Pride Nation Network, a 3-month-old cable channel based in California, will start looking for carriage from cable and satellite companies in the next few weeks.

"Ten years ago, we were marketing to a bunch of people who were hiding," says Scott Seitz, president of SPI Marketing, which works with Absolut. "What's out there is still the tip of the iceberg, but the success of *Queer Eye* has made advertisers stand up and take notice and wonder why they're not doing more." ■