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Gay Ad Market Tops \$212 Million

ADS WITH SPECIFICALLY GAY-THEMED CONTENT generated \$212 million in revenue in 2005, a 2.5 percent increase over 2004, and represented 50.3 percent of total advertising in gay-themed publications--a marked increase from 9.9 percent just three years ago, according to a study by Prime Access Inc., a GLBT ad agency. Beyond the obvious implications for GLBT marketing, the expansion of gay-themed advertising is an interesting case study for other niche marketers.

"Marketers used to approach the market by taking whatever mainstream advertising they had and running it in GLBT publications, but that's changed," according to Howard Buford, founder and president of Prime Access, who explained: "The bar's been raised. Now, more and more, the ad content is targeting the gay audience." With GLBT audiences, as with other minority and niche target demos, this approach pays off, Buford said: "The more targeted the advertising, the greater response in terms of recall and eventual purchase patterns."

In part that's because media targeting readers with themes related to their self-identification produces a higher degree of engagement, Buford explained: "Certainly you find that with gay and lesbian consumers, there's a high level of engagement with gay and lesbian media, and you find similar things with African-American media, including publications like *Essence* or *Ebony*."

Jeffrey Garber, president of OpusComm Group, Inc., also drew comparisons with other minority marketing strategies: "People are looking for ways to create an emotional bond with their audience, so they go after niche marketing in African-American, Hispanic, and Asian markets, and so forth. GLBT is another very attractive niche market."

GLBT audiences are also quicker to view their own consumer choices--and advertisers' strategies--through a political prism, bringing a conscious level of commitment to purchase decisions that often exceeds the population at large. Buford observed: "The gay audience in particular is very politically active... and they're very conscious of brands that support the GLBT community." For example, after the conservative American Family Association launched a boycott of Ford for advertising in gay publications, gay groups advocated a counter "boycott" to reward Ford.

"It's not surprising that advertisers are paying more attention to the GLBT market because of brand loyalty," remarked Garber. "You'd be hard-pressed to find another group that demonstrates that degree of brand loyalty."

By the same token, GLBT-themed advertising is a useful model for niche marketing generally, Garber said. "In the end it's like anything else: if you want to reach the GLBT market, it takes a media mix. It takes gay media, which is a cornerstone--but then you also have general media like mass-market radio, TV, print, and the Internet. To reach them, you're really going to have to roll up your sleeves and use both types effectively." He concluded: "If you put an ad in gay media, you do well. If it's gay-themed, you do really well. And if you participate in all forms of media with gay-themed ads, you hit a home run."