

Rainbow Marketing: A Historical Analysis of Sellers' Embrace of the Gay Market Segment

Blaine J. Branchik
Associate Professor of Marketing
Quinnipiac University
Hamden, Connecticut USA

With a circulation of 175,000, *The Advocate* magazine (along with its associated online outlets) is the largest bi-monthly (formerly semi-monthly) publication in the U.S. targeting lesbian, gay, bisexual and transgender (LGBT) readers. From its inception in September 1967, it has chronicled the development of LGBT culture, civil rights, political progress, issues affecting this community, and acceptance into broader American society. Like most publications, it has funded much of its operations with advertising.

As both a normative guide and reflection of consumption behavior and society, advertising provides an important window into broad social changes over time. Just as importantly, an ad in a publication reflects a seller's legitimization or embrace of various consumer groups. *The Advocate's* ads therefore illustrate not only LGBT consumption patterns over half a century, but just as importantly corporate America's interest, embrace, and legitimization of the LGBT market segment.

Research Questions

This project sets out to answer three fundamental questions related to American business and the LGBT market: (1) What sorts of sellers have targeted readers of the nation's largest LGBT-targeted publication? (2) When did these sellers begin advertising in the publication, thus manifesting their targeting of LGBT buyers? And (3) What size businesses target these readers? Answering these questions will provide marketing and advertising historians and LGBT history scholars with valuable insights into the growing embrace of gays and lesbians as members of a legitimate and desirable target market and will help practitioners to understand how and when other firms in various industries targeted LGBT buyers. Previous research examined LGBT depictions in advertising with a focus on LGBT consumers within historical (Branchik 2007) and present-day contexts (Oakenfull 2013). However, the author is unaware of any research which takes the perspective of the seller, inferring from advertisements in a LGBT-targeted publication the growing embrace of LGBT consumers as a viable and desirable target market over time.

LGBT Historical Background

Homosexual activity has existed throughout human history. But a homosexual identity or discernable gay community did not exist until the late 19th century. An 1889 article by a small-town physician stated that "There is in every community of any size a colony of male sexual perverts; they are usually known to each other, and are likely to congregate together." (Lydston 1889). Urbanization and industrial expansion refined an identifiable gay male sub-culture as men congregated in large cities, formed relationships with others, and slowly created communities. Businesses targeting inhabitants of these nascent communities tended to be bars, brothels, and other sexually oriented businesses. Other activity by sellers targeting LGBT consumers was inadvertent driven by businesses that happened to be located near small congregations of homosexuals.

Within six months after the 1941 Pearl Harbor attack, 14,000 men from all over the U.S. were entering 250 different sex-segregated training centers every day (Bérubé 2010). To a lesser but no less important extent, women entered military service via sex-segregated services such as the WAVES and WACS. As a result, World War II was probably one of the most important factors in the development of the LGBT rights movement. Following the end of the war, many gay veterans chose to remain in large port cities like San Francisco or New York rather than return home. They began creating gay neighborhoods. In fact, by 1963, an article in the *New York Times* about the so-called "problem of homosexuality" estimated there were between 100,000 and 600,000 gay men in New York (Doty 1963). Although most sellers ignored this niche market, gays themselves started creating gay-owned businesses such as bars, mail-order firms, and magazines.

In June 1969, a riot following a routine police bust at the Stonewall Inn gay bar in New York (Unnamed 1969) changed the course of gay history, sparking the gay rights movement and changing how gays saw themselves and ultimately how the public, including marketers, saw them. In 1953, Los Angeles based *One Magazine* debuted, the first ongoing gay-targeted publication. In addition to a subscription fee, *One* relied on advertising for its financial sustenance (a lesbian-targeted publication, *The Ladder*, began publication in 1956 but did not contain advertising). To this day, advertising in hundreds of gay publications and websites nationwide remains a common way for firms to reach the gay market. In fact, today over 100 print, internet, and video advertisements produced annually feature LGBT images promoting a wide variety of product categories.

Methodology

This project, currently underway, undertakes a content analysis of all ½ page or larger ads in three randomly selected issues of *The Advocate* per year from its inception in 1967 through 2017. This will result in the analysis of ads in 150 issues, with each issue containing approximately 20 ads that meet the size criterion. For each ad covering at least ½ page, coders are noting one of two size designations: ½ to 1 full page or 1 full page or larger. Issue, date and page of those qualifying ads are noted. Next, product or service category of the product/service advertised are recorded. Category definitions are derived from a subset of the North American Industry Classification System (NAICS) codes. The advertising firm is then be noted and research will be completed as to the firm size. Specifically, coders will determine if the firm or its parent is currently extant, whether it is a public corporation, and/or a Fortune 500 firm. The author will then complete a count of these variables, noting changes over time.

Discussion

This research intends to chart the embrace of the LGBT market segment by sellers via an examination of advertisements in *The Advocate*, a national gay-targeted news and lifestyle periodical. Although only a subset of proposed issues has been examined, some notable preliminary results are already being uncovered. First, issues of *The Advocate* well into the 1970s contained a majority of ads for sexually-oriented businesses, including sex clubs and erotic video and book retailers. This indicates that more mainstream businesses were loath to associate themselves with an LGBT-targeted news periodical or the market segment itself. As a result, the pragmatic publishers of *The Advocate* found sponsors anywhere they could. They would later shun these same advertisers. A second finding is that alcohol distillers became key advertisers starting in the 1980s through the present day. This indicates that distillers either felt that LGBT consumers were heavy users of alcoholic beverages and/or that the LGBT segment was viewed as a viable target for firms attempting to enter a very crowded marketplace. Absolut Vodka, now a popular national brand found throughout the U.S., selected the LGBT market segment as one of its key launch targets when its parent company attempted to enter the U.S. market from Sweden. It has been advertising in *The Advocate* for over 35 years and remains a sponsor of a variety of LGBT publications, organizations and events (Stuart 2011).

In a third finding from the mid-1980s through the mid-1990s, several viatical settlement companies targeted gay consumers via ads in *The Advocate*. Viatical settlement companies provide cash to consumers in return for being named beneficiaries of their life insurance policies. This period coincides with an increasing number of deaths from AIDS during this period. Many mostly gay men were willing to sell their life insurance policies for ready cash. Related to the AIDS crisis, pharmaceutical companies began heavily advertising their AIDS treatment prescription drugs in *The Advocate* beginning in the mid-1990s. This period coincided with a growing number of treatments for the HIV virus. Pharmaceutical ads continue to run to this day. Finally, Fortune 500 firms became significant advertisers beginning around the turn of the 21st century. Today, *The Advocate*'s parent company touts its roster of advertisers, including such large, well-known firms as American Express, AT&T, Amtrak, BMW, Gillette, Hilton Worldwide, Target, Tiffany & Co, and Walgreen's (Pridemedia 2018).

With progress in the LGBT rights movement, increasing acceptance of diversity in the U.S., and a variety of local and national laws and court decisions protecting LGBT rights, Fortune 500 firms feel free to openly pursue LGBT consumers. Nonetheless, consumer boycotts on the part of those not supportive of LGBT rights always pose a threat to these firms (see Hinzmann 2017).

Continuing work on this project should confirm these preliminary findings and point to additional important findings as advertisers from a growing variety and size of advertisers target LGBT consumers directly.

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