

The Gay/Lesbian Travel Marketplace

White Paper

Prepared by:

Cam Jensen-Campbell
VP Marketing
USDM.net®

September 3, 2004

Sources:

*Gay & Lesbian Travel Surveys, Community Marketing, Inc., San Francisco, CA;
American Traveler Survey, Plog Research, Inc. published in Travel Weekly;
FrequentFlier.com*

Introduction

The gay and lesbian community has more disposable income, and has a distinct propensity for travel. Undaunted by events in the news, gay and lesbian travelers make up 10% of the travel industry. Critically, their travel dollars go to suppliers and destinations that recognize their unique buying preferences and offer them differentiated value.

Unlike the general public, gays and lesbians were not deterred from travel by the events of 9/11. The number of vacations planned for the 12 months after 9/11 were virtually unchanged from the previous 12 months. There was, however, an increase in travel to 'the familiar' after 9/11, as 90% of those trips were planned within the U.S.

Safety was not the first concern influencing gay travelers post-9/11. 50% indicated they would travel to their selected destination because it is "gay-friendly." Seeking places which are "more affordable" in light of the economic downturn was indicated by 41% and is an important consideration for many. 29% did say that a "safer" destination was important.

Profile of the Gay and Lesbian Traveler

74% are male, 21% are female. The majority are age 35-49, have college or post-graduate degree, have an income of \$40,000-\$74,000, are in a committed relationship, and own a valid passport (88% of gay men, 57% of lesbians).

86% of U.S. gay men and lesbians surveyed had taken a vacation in North America in the past year – the majority took three or more. 71% had taken an International vacation in the past year.

Gay men tend to reside in urban neighborhoods, gay urban neighborhoods, and suburbs. Lesbians also tend to reside in urban and suburban neighborhoods, but skew higher than gay men for living in small towns and rural communities.

Statistical Detail:

- 75% have household incomes above the national average (\$40,000+)
- 30% have household incomes of \$100,000+
- 84% hold a valid passport (national average is 29%)
- 67% belong to frequent flyer programs (national average is 25%)
- Only 7% reduced travel over the past year due to terrorism/security concerns
- 82% are college/university graduates (national average is 29%)
- 61% are in a committed relationship
- 5% have children at home
- 55% hold professional/executive/management positions

Economic Impact

Based on national population figures, the American gay and lesbian community represents a US \$54.1 billion travel market, or an estimated 10% of the U.S. travel industry. But considering on the results of surveys conducted by Community Marketing, Inc., it represents an even larger percentage of the overall travel market in terms of gay and lesbian dollars invested in travel. The gay/lesbian community has high discretionary income, but pricing is still important – they have a preference for value.

Statistical Detail:

- ❑ 53% spent \$5,000 or more per person on vacations in the past year
- ❑ 32% plan to increase their vacation spending in the coming year
- ❑ 91% took vacations in the past 12 months (national average is 64%)
- ❑ 86% took at least one short domestic vacation (1-3 nights); 46% took 3 or more
- ❑ 81% took at least one long (4+ nights) domestic vacation; 50% took 2 or more
- ❑ 82% spent 5+ nights in hotels
- ❑ 72% rented cars
- ❑ 20% took at least one cruise (national average is 2%)
- ❑ 40% traveled on business and 57% of those booked known 'gay-friendly' airlines, hotels etc. when on business trips
- ❑ 36% of those who traveled on business flew first class; 39% flew business class and 47% spent 11 or more nights in hotels

Considerations

The gay community—quite distinct from the mainstream—will consider factors far beyond product and price before making a purchase decision. They will inquire about “community citizenship,” or genuine involvement in the community. Ultimately, the gay and lesbian community rewards “joiners.” Often “straight” suppliers and agents ask if they can be effective entering the gay and lesbian market. The answer is “of course!” but only if you work within the community and are not seen as targeting the “gay buck.” In order to be credible in any community, a business or DMO must be seen as being actively involved in that community. 94% of the gay/lesbian community prefers this trait. Word of mouth is extremely credible in the gay/lesbian communities and marketers who choose to instill the policies that respect gay and lesbian consumers will benefit.

The gay and lesbian traveler prefers a variety of things to do in a destination. They want an exciting environment, a variety of dining out options, someplace new with a reputation of being 'gay-friendly', someplace safe and affordable. Lesbians skew higher on preferring someplace they've been before and liked, and that is relaxing. Gay men skew higher on wanting to learn about local culture.

The top five reasons for gay/lesbian travel:

Vacation with boyfriend/girlfriend; gay pride/pride festivals; vacation with friends/groups of friends; vacation package. Lesbians also skew higher for responding to Internet travel specials.

Specific Gay/Lesbian Travel Interests:

Both gay men and lesbian travel interests include visiting gay or lesbian neighborhoods, hotels, B&Bs, beaches, clubs and events. Lesbians skew higher for visiting gay or lesbian bars.

Gay/Lesbian Travel Interests in the Mainstream Marketplace:

When traveling in urban environments, they like to sightsee (alone – not in a group), take in local culture and food, shop and visit museums. When traveling to resort or outdoor destinations, they prefer beaches, swimming, hiking, going to gyms and bicycling/mountain biking.

Gay men and lesbians book mainstream travel the same way, but book 'gay-space' travel a bit differently. There is a need for direct marketing to each niche, and for personalized service.

Booking Statistics:

- ❑ 49% of gay men and lesbians book air travel online, 20% use a travel agent and 28% use a travel supplier.
- ❑ 36% book car rental online, 12% use a travel agent and 40% use a supplier.
- ❑ 41% book hotel accommodations online, 14% use a travel agent and 41% use a supplier.
- ❑ 25% book B&B/Inns accommodations online, 8% use travel agents and 48% use a supplier.
- ❑ 11% book mainstream cruises online, 21% use a travel agent, and 12% use a supplier.
- ❑ 12% book gay/lesbian cruises online, 21% use a travel agent, and 11% use a supplier (there is a statistical significance for gay men booking more gay cruises via travel agents than lesbians and for lesbians booking through suppliers).
- ❑ 18% book gay tours/vacation packages online, 24% use a travel agent and 14% use a supplier (there is a statistical significance for gay men booking gay tours/vacation packages via travel agents than lesbians).

U.S. Destination Preferences:

Gay men and lesbians prefer different U.S. destinations as well.

- ❑ Destinations of choice for gay men include: New York 44%, San Francisco 39%, Hawaii 31%, **Palm Springs 30%**, Fort Lauderdale 29%, West Hollywood 27%, **Miami/South Beach 25%**, Key West 24% and Provincetown 23%.
- ❑ Destinations of choice for lesbians include: San Francisco 32%, Provincetown 30%, New York 28%, Hawaii 25%, Key West 21%, West Hollywood 16%, **Miami/South Beach 16%**, Fort Lauderdale 12% and **Palm Springs 9%**.

Conclusion

The gay and lesbian travel industry is still young, but is already sophisticated and well developed. This market is best reached with a multi-faceted approach of targeted marketing including outreach to consumers, travel agents and the media. Utilizing established direct mail and email, advertising, Internet and PR resources will effectively reach gay and lesbian consumers. Destinations should create gay-friendly travel product and market direct to consumers, and to the strong network of travel agents serving the gay and lesbian community.

In addition to mainstream interests, there are niches within the niche of gay/lesbian travel. Marketing messages should be targeted to arts, culture & cuisine; history & architecture; education & heritage; sports & adventure.

The gay/lesbian community can be reached via their clubs and organizations, specialty publications and newsletters (both online and offline) and direct marketing (both online and offline).

TAG® Approved (Travel Alternatives Group) accommodations should be promoted at all times to the gay/lesbian market and to travel agents. The gay/lesbian consumer looks for these gay-friendly establishments when searching for accommodations. (See <http://www.gaytravelnews.com/accommodations.cfm> for more information and for TAG® Approved application.)