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A Profile of LGBT Consumers: Restaurant Spending, Influencers and Dining Preferences

**Community Marketing, Inc.
Andrew Freeman & Co.**

March 2010



Project Overview

Community Marketing, Inc. and Andrew Freeman & Co.'s first in-depth look at gay and lesbian restaurant behaviors, this unique new study seeks to understand the following topics:

- **Dining out habits** – how frequently do LGBT consumers dine out? Which kinds of restaurant concepts and cuisines do they prefer?
- **Dining out spending patterns** – have spending patterns changed with the economy, and do LGBT people expect to spend more or less at restaurants in the upcoming year
- **Restaurant selection influencers** – which factors/influencers are most important to the LGBT population when choosing restaurants?
- **Impressions of chain and non-chain restaurants** – which quick-service and upscale chain restaurants are favorites among the LGBT population?
- **Beverage purchases at restaurants** – which beverages do LGBT diners purchase when dining out, and how frequently do they do so?
- **Hotel restaurants** – do LGBT travelers dine at hotel restaurants often? Why or why not?
- **Coffee shops** – how frequently do LGBT diners visit coffee shops/cafes, and how much do they spend? Do they generally frequent chains or non-chain coffee shops?



About Community Marketing:

- ✓ San Francisco-based company founded in **1992** serves clients throughout the USA, Canada, Europe, Australia and Japan.
- ✓ 17+ years of LGBT consumer research, strategic consulting, marketing planning, communications, and training services.
- ✓ Provided research, marketing and/or strategic consulting for these and other leading tourism and hospitality brands: the CVBs of San Francisco, New York City, Fort Lauderdale, Las Vegas, Dallas and many more; plus the tourism offices of Switzerland, France, Spain, Sweden, Canada and Japan; and Travelocity, Chicago History Museum, Kimpton Hotels, Hyatt Hotels and many more!



ANDREW FREEMAN & Co.

HOSPITALITY AND RESTAURANT CONSULTANTS

- ✓ Andrew Freeman & Co. (AF&Co.) is a high-energy hospitality marketing and public relations agency with offices in San Francisco and New York.
- ✓ More than 40 years of combined experience servicing hotel and restaurant clients, working with the LGBT community and various charitable organizations. Agency highlights include San Francisco's first Urban Food & Wine Festival - SF Chefs, more than 50 restaurant and 30 hotel launches nationwide, and generating buzz, awareness and sales for numerous hotels, restaurants, chefs and wineries.
- ✓ Led by industry veteran Andrew Freeman who created his agency after working as Vice President of Public Relations at Kimpton Hotels & Restaurants. At Kimpton, Andrew introduced their very successful LGBT program that led Kimpton to be named the first hospitality company to earn a 100% rating by the Human Rights Campaign Corporate Equality Index.
- ✓ Current clients include: Kimpton Hotels & Restaurants, Wente Vineyards, David Burke Restaurants, The Lodge at Sonoma, étoile at Domaine Chandon, Tyler Florence's Wayfare Tavern, Carneros Bistro & Wine Bar, The Fifth Floor, the Golden Gate Restaurant Association and numerous hotels and restaurants – coast to coast.



Project Methodology

- Findings are based on an online survey of 4,400+ self-identified LGBT consumers, recruited from Community Marketing's proprietary [50,000 member research panel](#)
- Survey fielded February 26 – March 8, 2010
- Respondents must dine out at least once monthly to qualify for survey. This represented 98% of people who started the survey.
- Restricted to U.S. Only
- Visit communitymarketinginc.com for more info about CMI's methodology



Executive Summary

- Despite the economic situation, the majority of gay men and lesbians still spent the same or more at restaurants in the past year.
- Still, one-third (33%) spent less in the past year, compared with years prior.
- Majority expect to spend about the same amount at restaurants in next year with the group who expects to spend more at restaurants being slightly larger than those who expect to spend less.
- Compared with other research, gay men and lesbians are much more likely than the mainstream to describe going to restaurants as being an essential part of their lifestyle.
- More than 80% agree gays and lesbians are restaurant trendsetters and believe they dine out more than the average American.



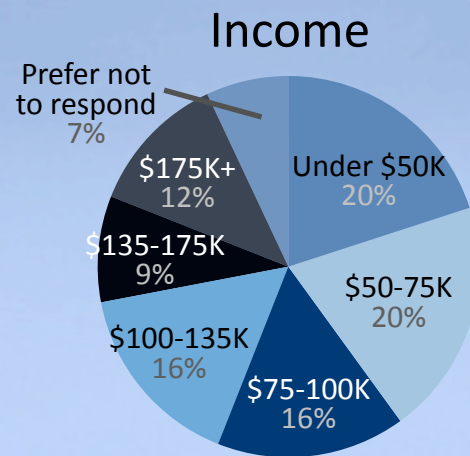
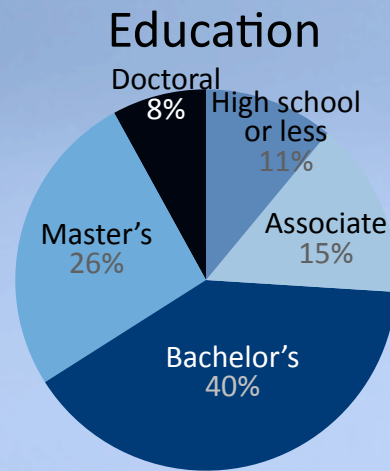
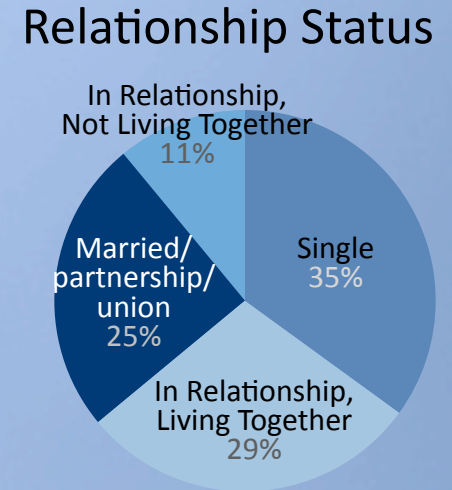
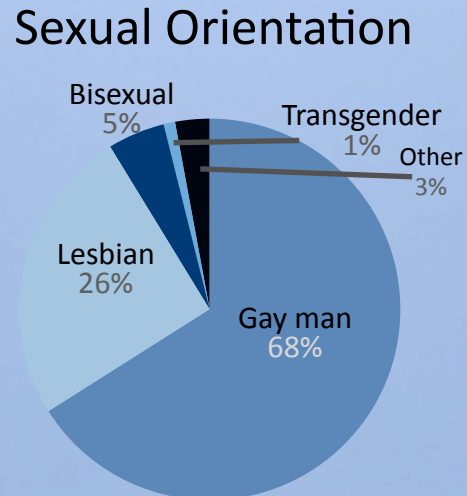
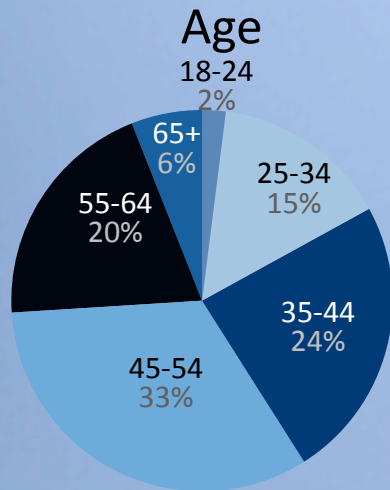
Executive Summary (continued)

- Market buying decisions are driven by restaurants that recognize and support LGBT interests, charities and media. More than three-quarters (76%) are more likely to dine at a chain restaurant if they outreached to the gay community.
- Slightly less than half (47%) say that chain restaurants are gay and lesbian friendly.
- At a typical evening meal out, alcohol comprises at least part of the bill for 81% of respondents.
- 70% of gay men and lesbians visit a coffee shop/cafe in a typical week.
- Overall for restaurants: the LGBT market is a solid target demographic that is somewhat recession resistant – and enjoys dining and drinking for both necessity and pleasure. For restaurants, the LGBT market is very lucrative and ripe with opportunity for restaurants in all different categories.



Respondent Profile

4,451 total responses



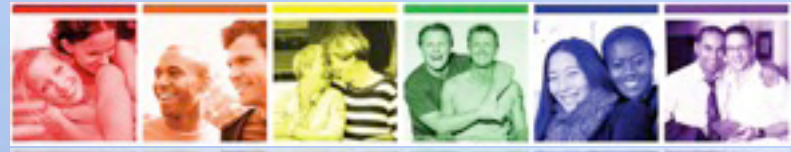
Top 10 Metro Areas

- 9% San Francisco
- 7% New York
- 6% Los Angeles
- 5% Chicago
- 5% Washington DC
- 4% Miami/Ft. Lauderdale
- 4% Dallas/Ft. Worth
- 3% Atlanta
- 3% Boston
- 2% Phoenix

47% of total responses



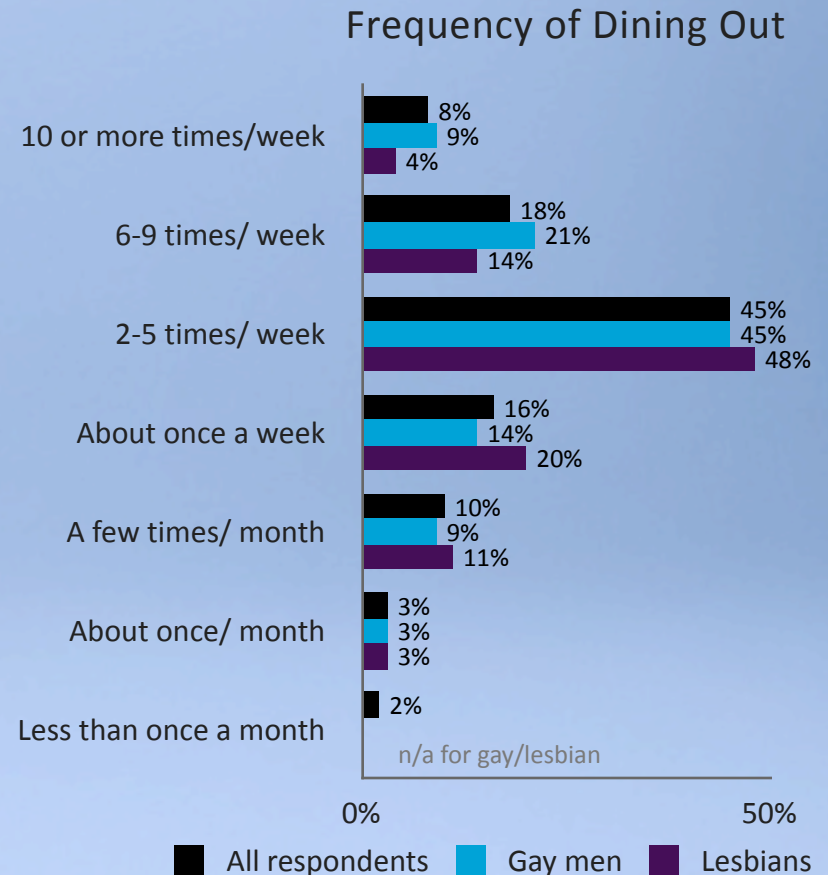
LGBT Dining Out Patterns: Spending



Most dine out for meals at least twice a week

For all meals breakfast, lunch or dinner.

- Nearly three-quarters of respondents (71%) dined out for meals at least twice a week
- About half of respondents dine out 2-5 times per week
- Gay men much more likely than lesbians to be *frequent diners* (dining out 6+ times/week); nearly one-third of gay respondents (30%) meet this criterion, compared with 18% of lesbian respondents



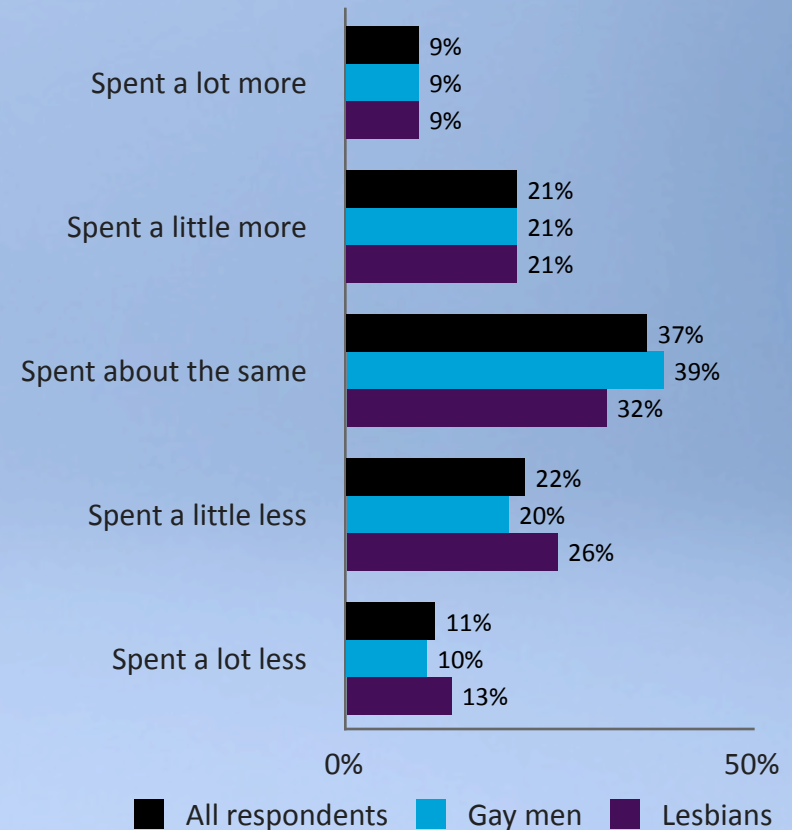
Base: All respondents, including those disqualified for dining <1month;
 Q: In the past year, how often have you dined out for meals (breakfast, lunch or dinner)?



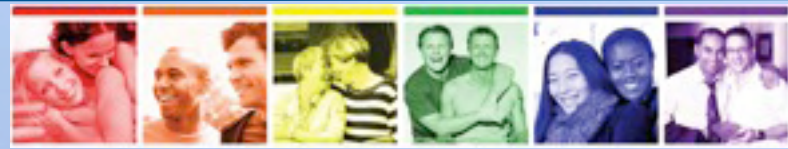
Restaurant spending held strong through recession

- Despite the economic situation, majority of respondents still **spent the same or more at restaurants** in the past year
- Still, one-third (33%) spent less in the past year, compared with years prior

Restaurant Spending in Past Year, Compared with Years Prior



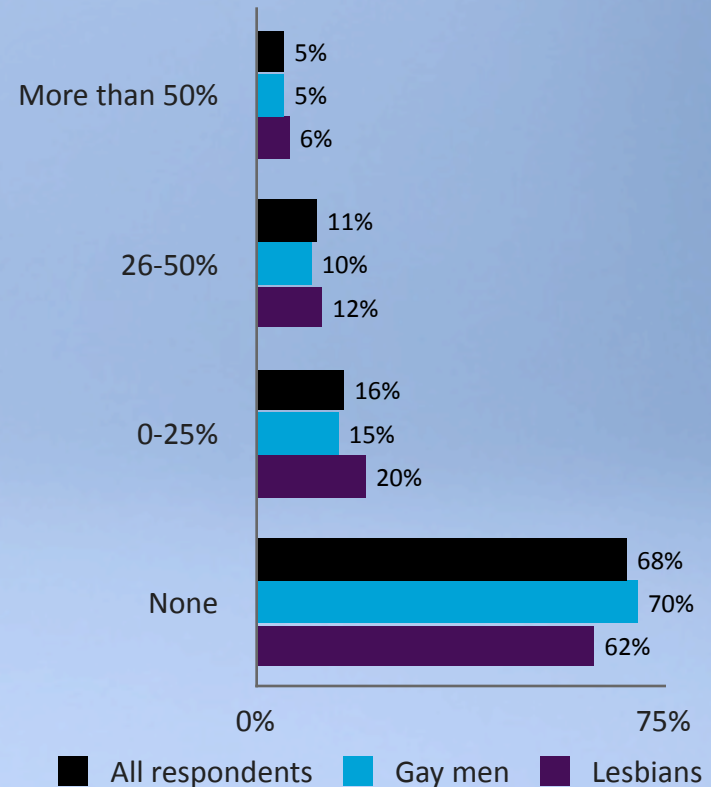
Base: All respondents (n=4451)
Q: Thinking about how much money you've spent on dining out in the past year compared with years prior, would you say...



About one-third of respondents cut back on restaurant spending in past year

- Cutbacks were slight; only 5% of total respondents cut their restaurant spending by more than half
- Among those who cut back; about half cut their spending 0-25% (16% of all respondents) and the other half cut spending by 26% or more (another 16% of respondents)

Cutback in Restaurant Spending, Past Year



Base: All respondents (n=4451)

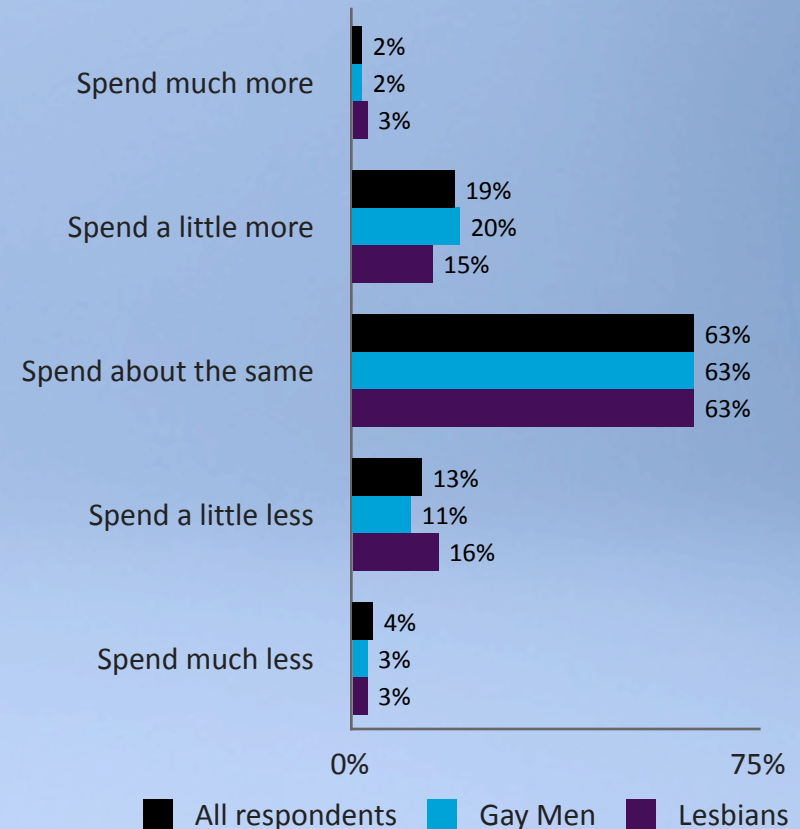
Q (asked only of those who cut back on spending):
Can you estimate how much you have cut back?



LGBT restaurant spending may increase slightly

- Majority expect to spend about the same amount at restaurants in next year
- Group who expects to spend more at restaurants is just slightly larger than those who expect to spend less (21% of respondents, compared with 17%)

Restaurant Spending, Estimate for Next 12 months

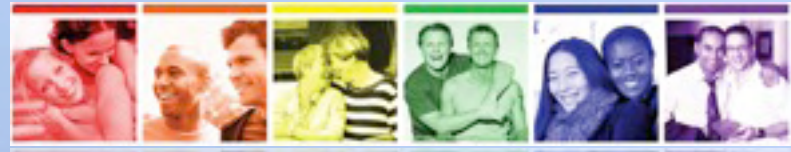


Base: All respondents (n=4451)

Q: In the next 12 months, do you think you will...



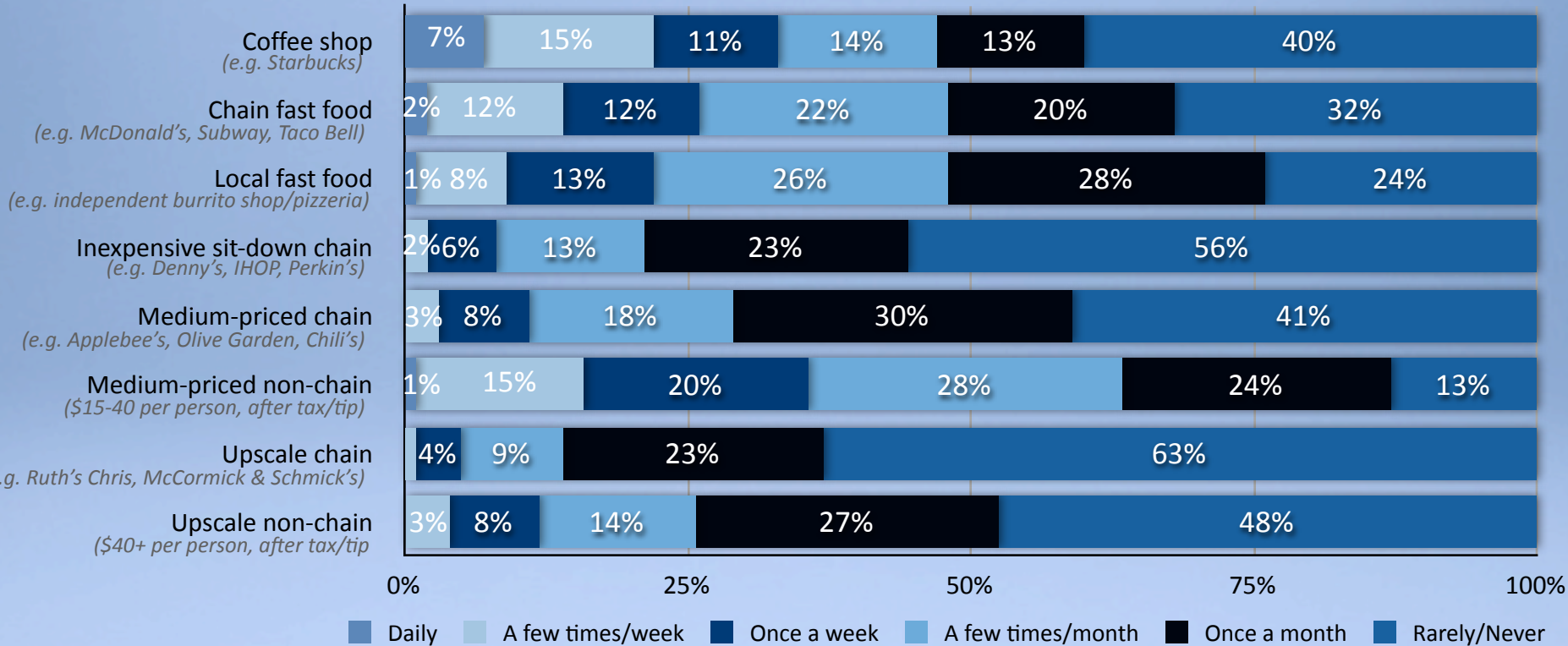
LGBT Dining Out Patterns: Behaviors



In typical week, medium-priced non-chain restaurants visited by largest group

Frequency of Food Establishment Visit by Type

Listed in order of price point



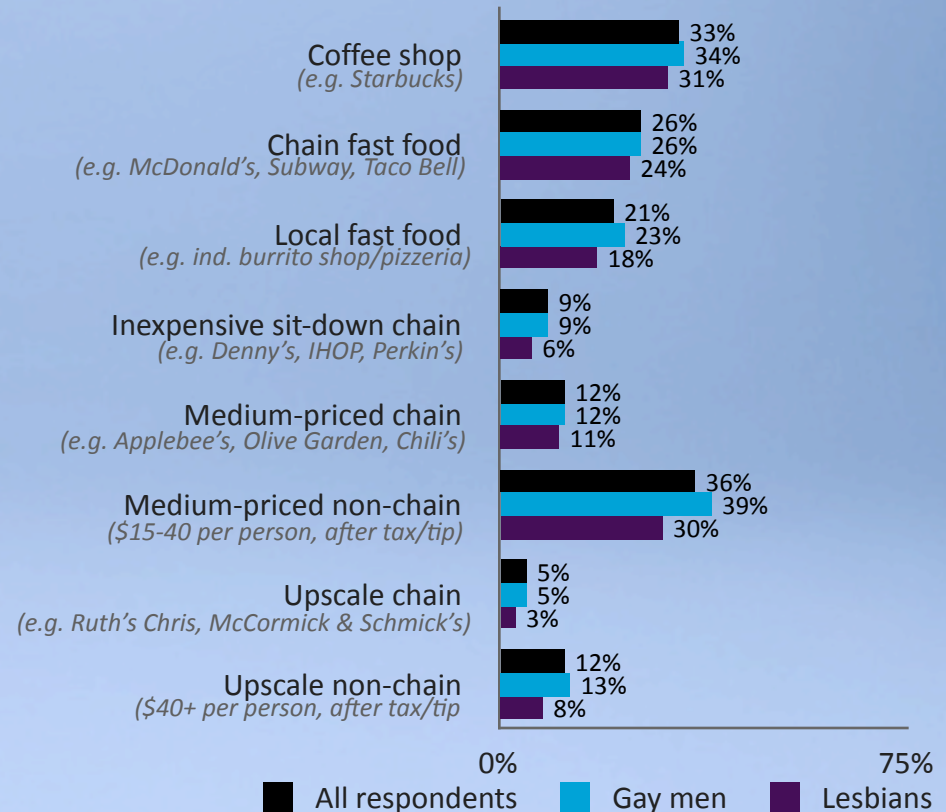
Base: All respondents (n=4451)
 Q: How frequently do you dine out at the following types of food/drink establishments?



Non-chains are more popular than chains in medium and upscale price points

- Especially in the “medium-priced” restaurant category, non-chains are visited significantly more than chains; 36% visit a medium-priced non-chain at least once a week
- About one-third (33%) visit coffee shops at least weekly

Food Establishment Types Visited At Least Once Weekly

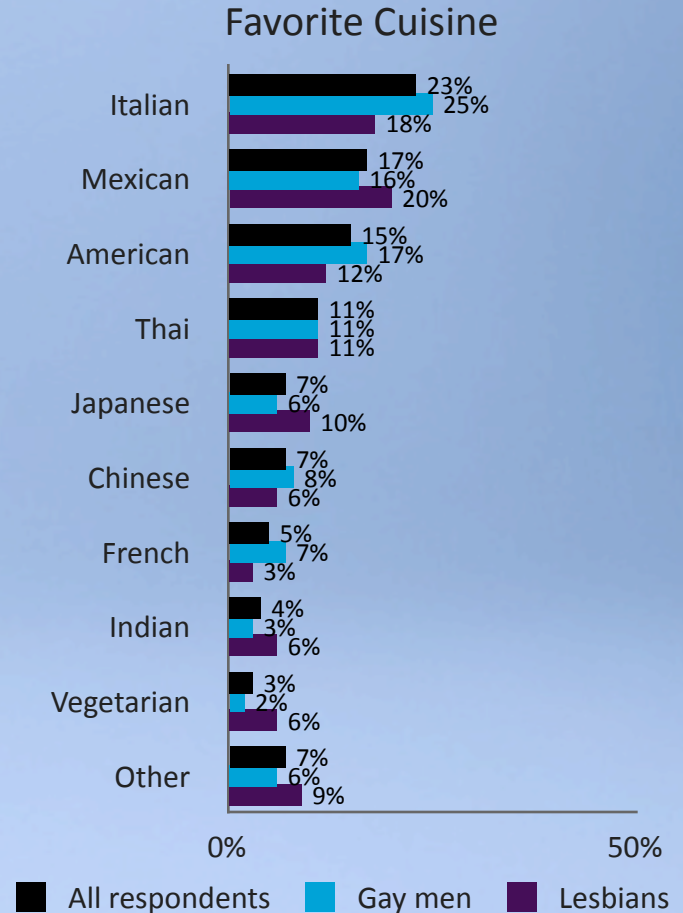


Base: All respondents (n=4451)
 Q: How frequently do you dine out at the following types of food/drink establishments?



Italian, Mexican and American are favorite cuisines

- No clear winners among cuisine favorites for any group, though *Italian* and *Mexican* are most popular
- Compared with national research conducted by Zagat in 2009:
 - *Mexican* appears to be more popular among LGBT population; *French* cuisine less so
 - *Italian* and *American* slightly more popular among gays than lesbians

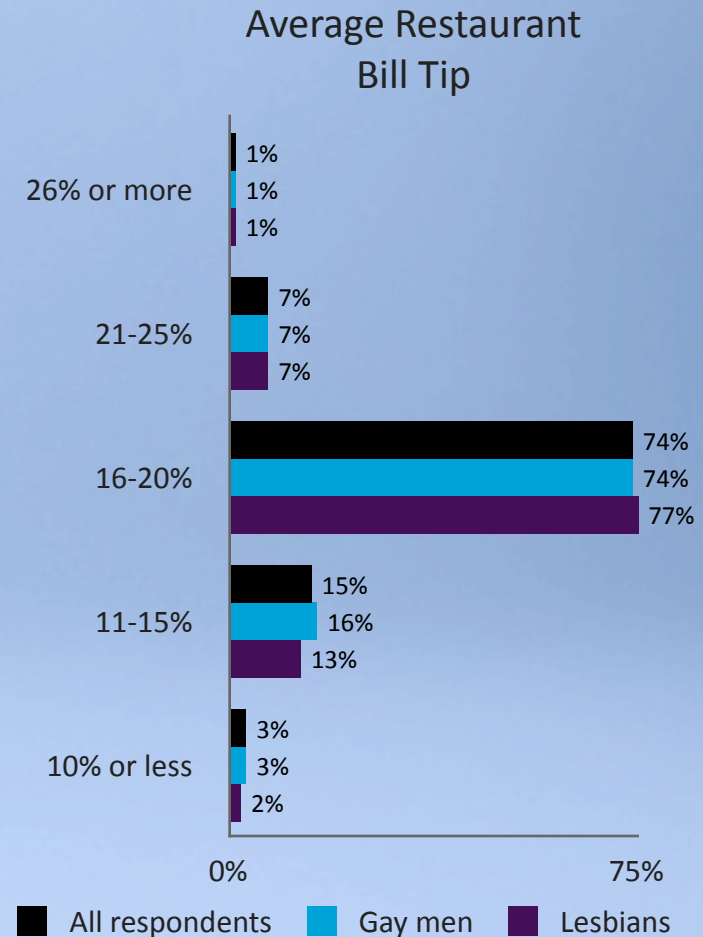


Base: All respondents (n=4451)
Q: Which restaurant cuisine is your favorite?



No clear differences seen in tipping amount

- On average, respondents tipped 19.2% of the restaurant bill
- Average tip is on par with finding from Zagat America's Top Restaurants survey in 2009, which reported average tip as 19.1
- Average tip from lesbians was very slightly higher than gay men (19.5% vs. 19.1%)



Base: All respondents (n=4451)

Q: What percentage of the restaurant bill do you generally tip?



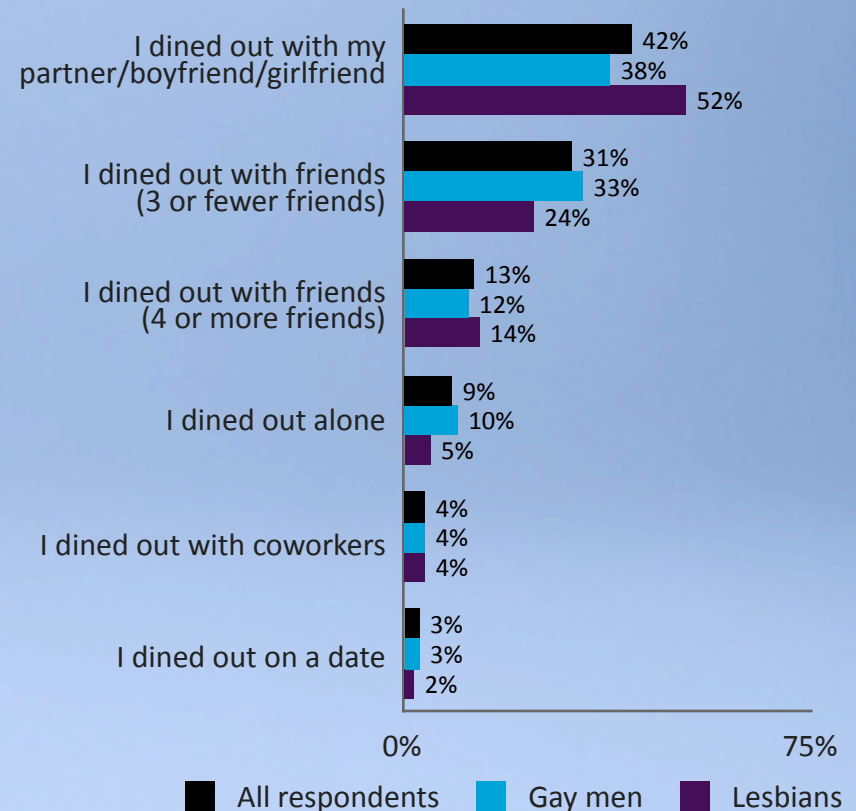
Most recent evening meal most likely to be with partner/boyfriend/girlfriend

- Most recent evening meal out, especially for lesbians, was most likely to be with one's significant other
- Last evening meal was about just as equally to be friends; respondents see dining out as a "social" activity particularly important to the LGBT community
- Last evening meal out was a date for 3% of respondents

We spend more time with our friends (aka, selected family). Socializing over dinner is a popular way to spend time with friends.

-Respondent

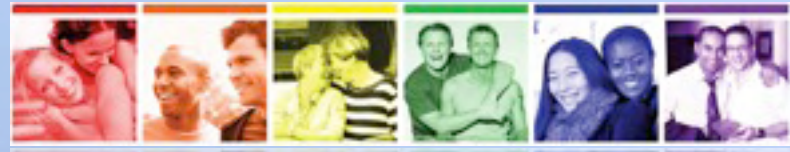
Party Composition,
Most Recent Evening Meal Out



Base: All Respondents (n=4451)

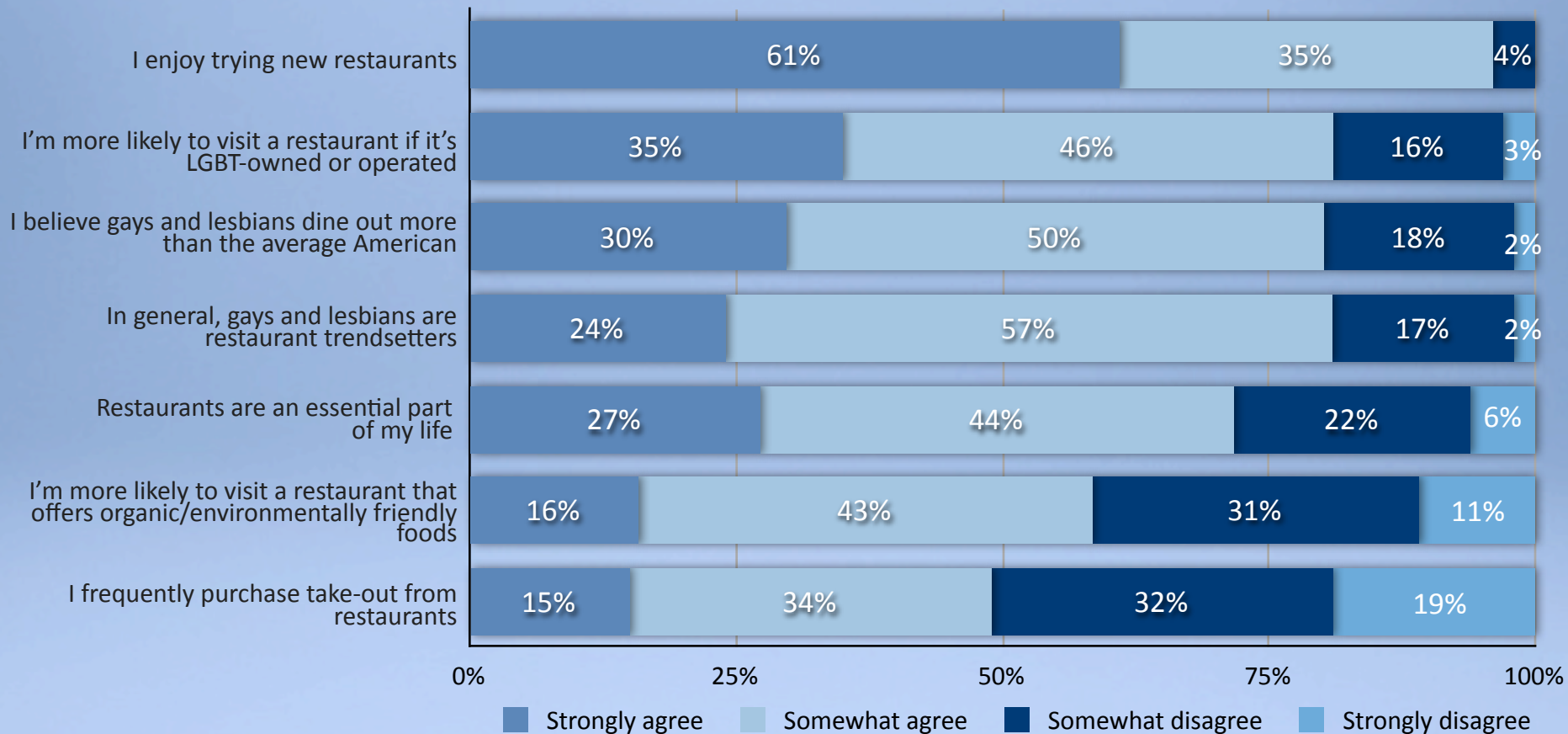
Q: Think back to the very last time you were at a restaurant for an evening meal. Which statement best describes your party?

LGBT Dining Out Patterns: Influencers



Dining Out: Part of LGBT Lifestyle

Restaurant Attitudes



Base: All respondents (n=4451)

Q: Please indicate whether you strongly agree, somewhat agree, somewhat disagree or strongly disagree with each statement.

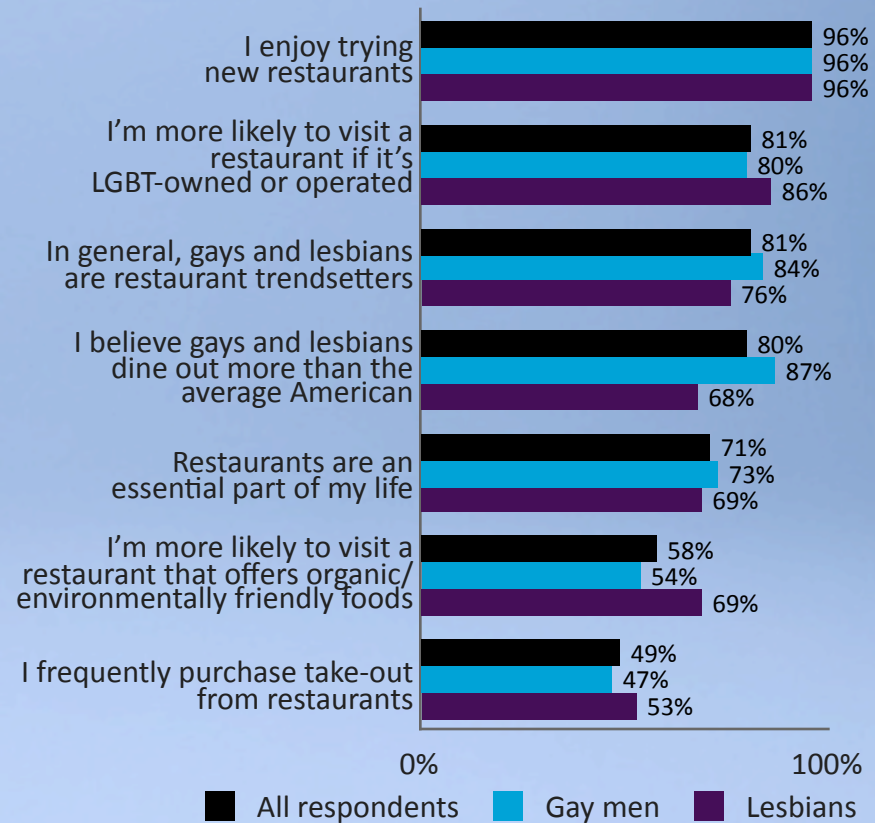


Restaurants are an Essential Part of LGBT Life

- Compared with research conducted with the overall population by the National Restaurant Association*, **restaurants are much more likely to be an essential part of LGBT respondents' lives:** 71% agreed, compared with 44% of all adults in the National Restaurant Association study asking similar question.
- More than 80% agree **gays and lesbians are restaurant trendsetters** and believe they **dine out more than the average American**
- More than four in five respondents (and 87% of lesbians) are more likely to visit a restaurant if it's LGBT-owned or -operated
- Lesbians even more likely than gays to visit a restaurant offering organic/ environmentally friendly foods

*Published in the 2010 Restaurant Industry Forecast, National Restaurant Association

Restaurant Attitudes,
% Who Agree with Statement



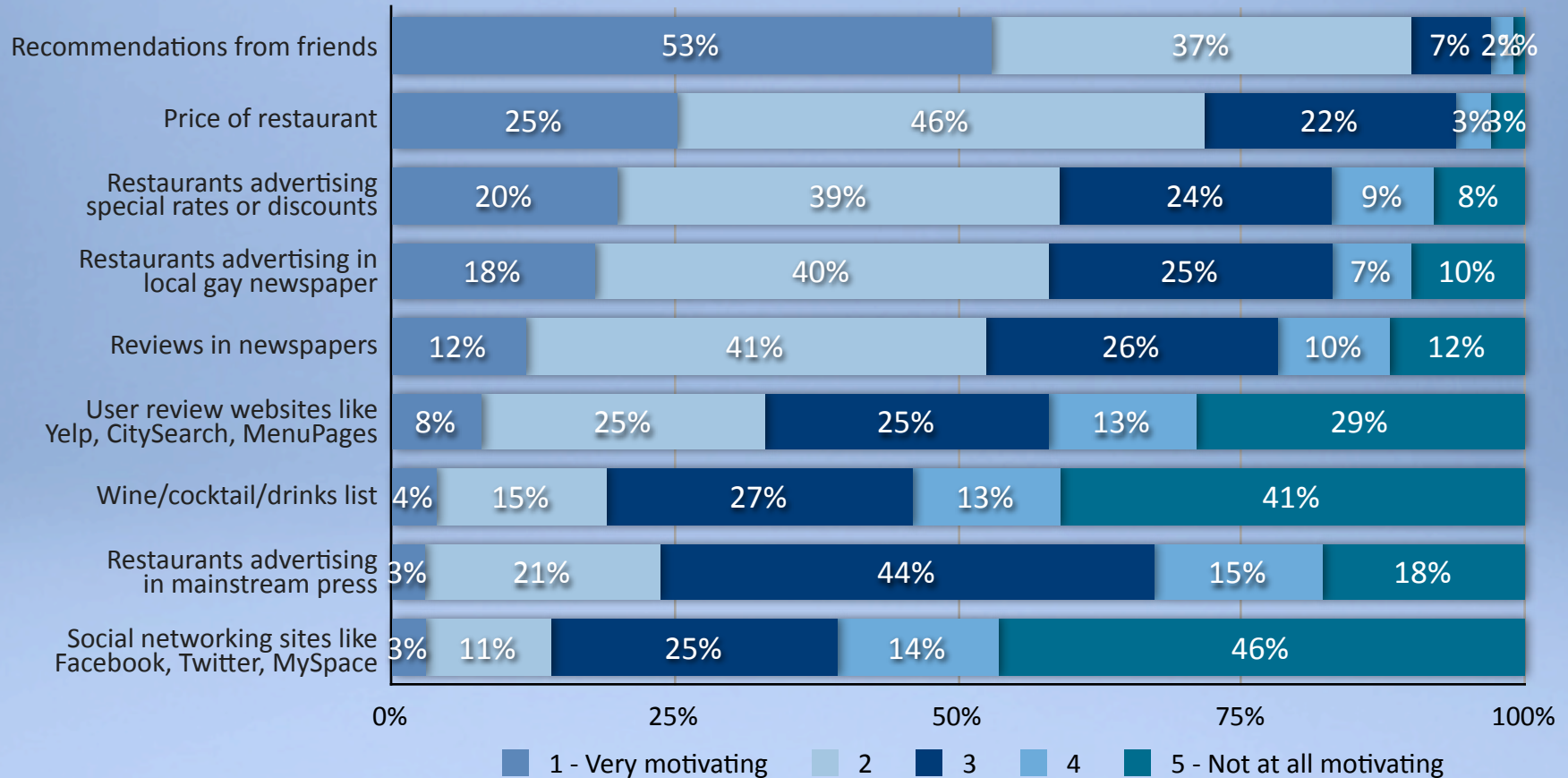
Base: All respondents (n=4451)

Q: Please indicate whether you strongly agree, somewhat agree, somewhat disagree or strongly disagree with each statement.



Personal recommendations are biggest influencer in restaurant selection

Dining Choice Influencers



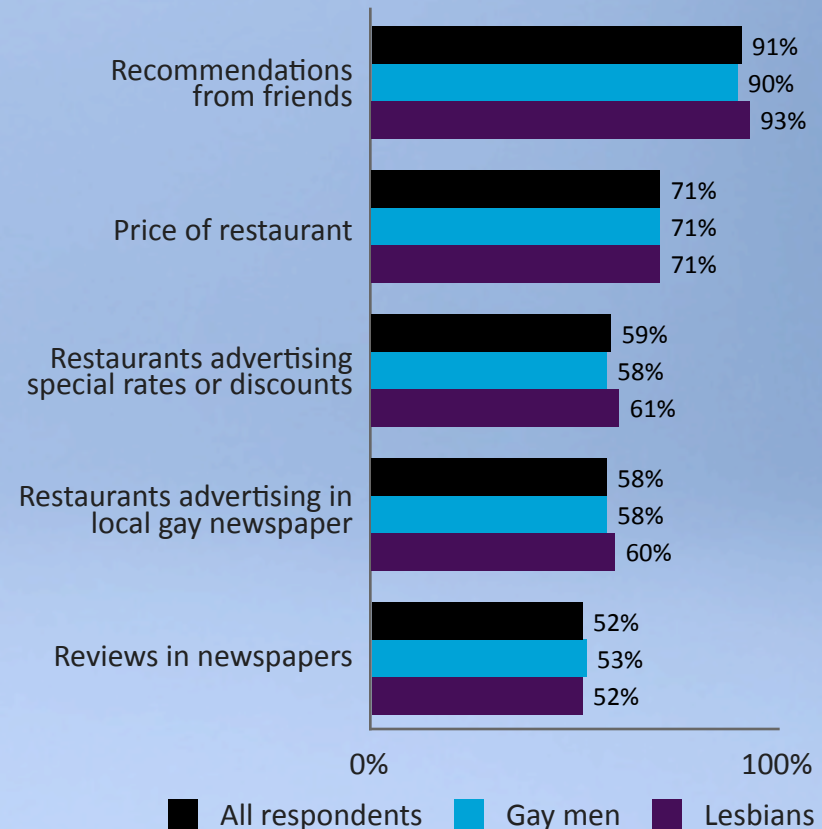
Base: All respondents (n=4451)
Q: What influences your dining choices?



Price/value still an important consideration in restaurant selection

- Though, “word of mouth” is most important factor in dining choice, price of restaurant was ranked the 2nd most motivating factor in restaurant choice
- Advertising a restaurant’s special rates or discounts, especially in a local gay newspaper, is very/somewhat motivating for at least half of respondents
- Respondents could also specify other influencers in their dining choices. Other frequently cited influencers included:
 - ✓ Location/Convenience
 - ✓ Atmosphere/ambiance
 - ✓ Food quality
 - ✓ Menu variety
 - ✓ Previous experience
 - ✓ What I’m “in the mood for”

Dining Choice Influencers Ranked as Very/Somewhat Motivating



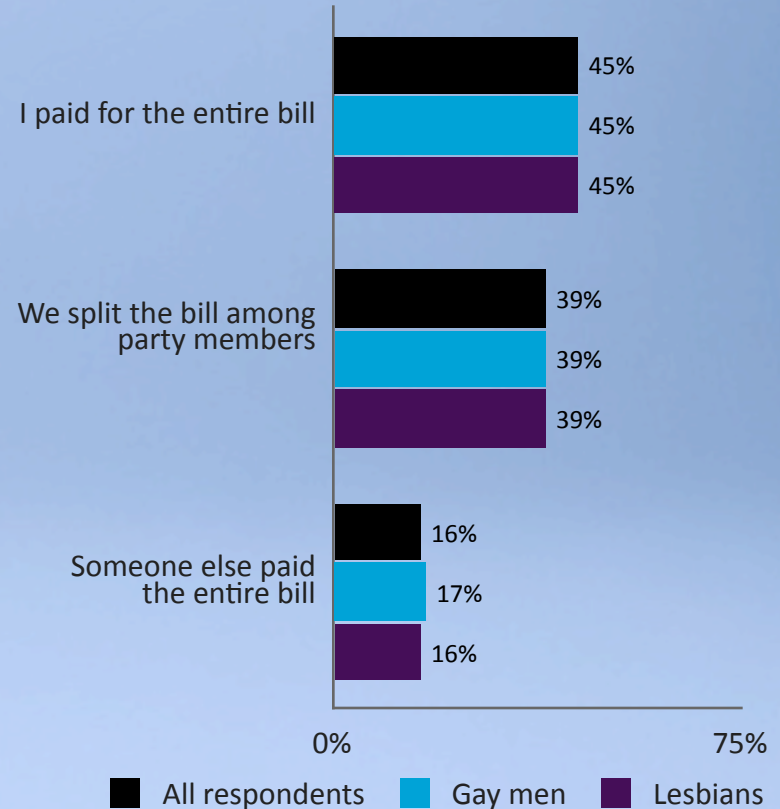
Base: All respondents (n=4451)
Q: What influences your dining choices?



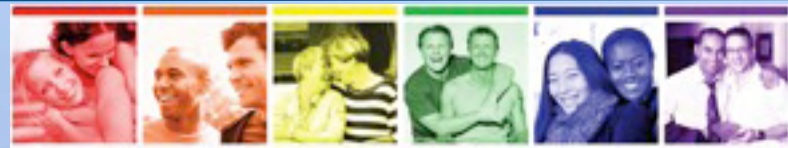
Bill splitting is common at evening meals

- At their most recent evening meal, respondents were likely to either pay the entire bill themselves, or split it among party members
- No high-level differences between gay men and lesbians

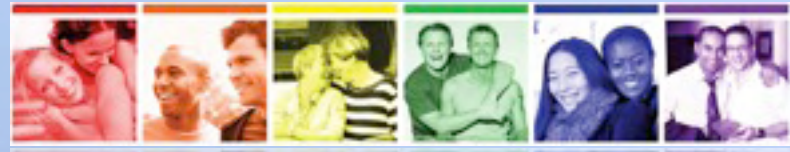
Who Paid,
Most Recent Evening Meal Out



Base: All Respondents (n=4451)
Q: At your most recent evening meal, when the restaurant bill arrived...



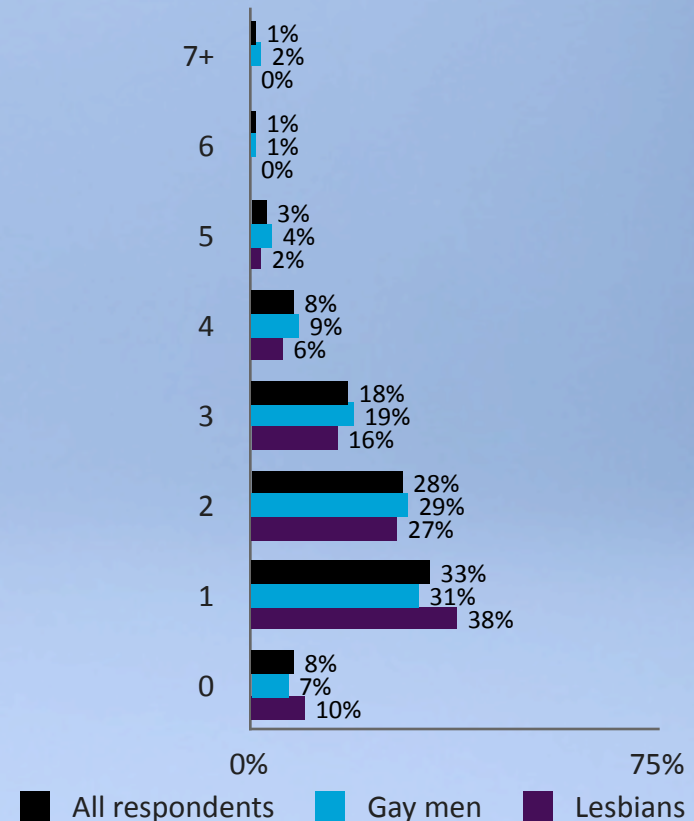
Evening Meals Out



Most dine out for evening meals 1-3 times/week

- Just above three-quarters (79%) dine out for evening meals 1-3 times per week
- Gay men more likely to dine out frequently for evening meals than lesbians

Number of Evening Meals Dined Out in Past Week



Base: All respondents (n=4451)

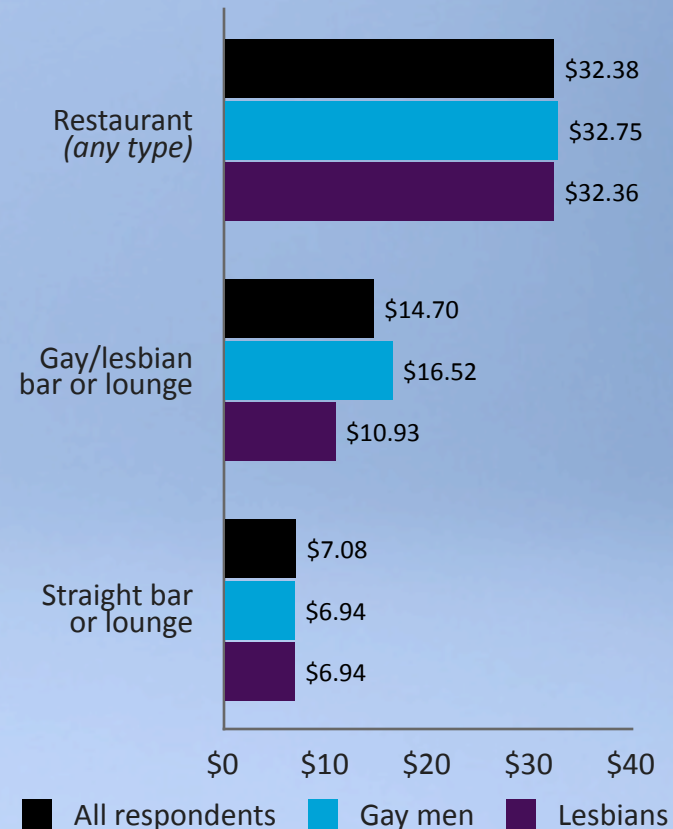
Q: In a typical week, how many times do you dine out for an evening meal?



Average spend at evening meal out is \$32

- At evening meals out, average bill was \$32 (after tax/tip, for respondent's meal only)
- Very little difference in average check for gay men and lesbians
- When dining for meals at bars/lounges, respondents (overall) spent nearly twice as much at gay/lesbian-oriented venues -- \$15, compared with \$7 for the average meal at straight bar/lounge
 - ✓ This difference is slightly less pronounced among lesbians, though still significant (an \$11 vs. \$7 average spend for a meal at a gay/lesbian and straight bar, respectively)

Average Spend at Evening Meals Out (Mean, after tax/tip)



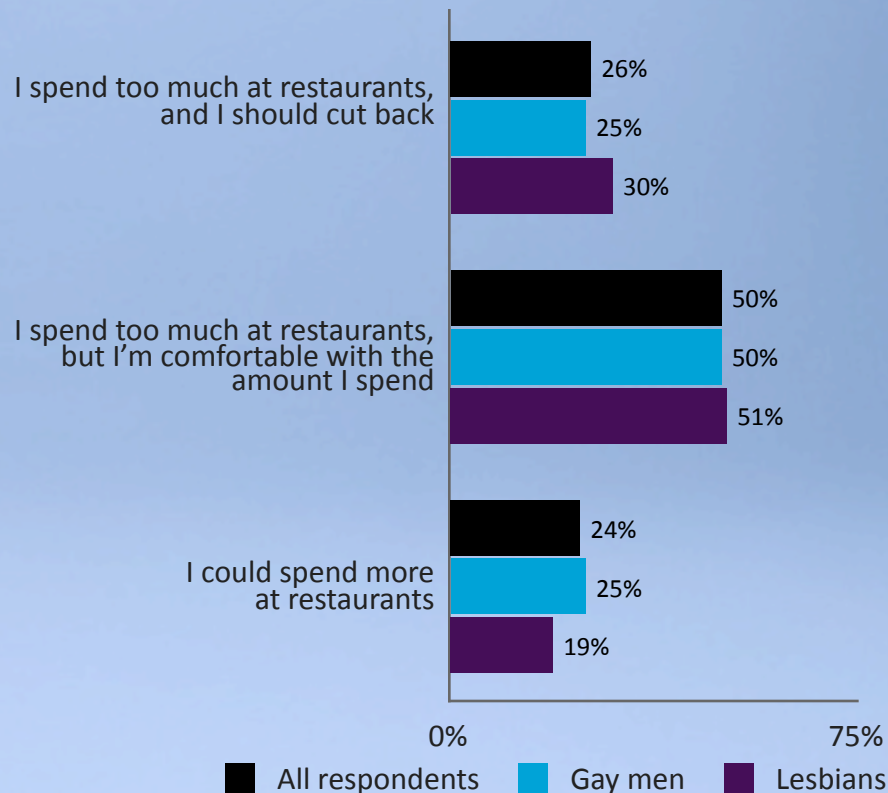
Base: Respondents who dine out for evening meals at least once a week (n=4079)
 Q: Thinking back to the past week, how many times did you dine out for an evening meal for these purposes?



Half are comfortable with their restaurant spending

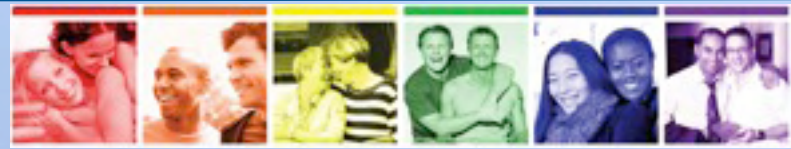
- About one-quarter (26%) think they spend too much at restaurants and should cut back
- Meanwhile, another quarter (24%) say they could spend more

Reaction to Weekly Spend at Evening Meals



Base: Respondents who dine out for evening meals at least once a week (n=4079)

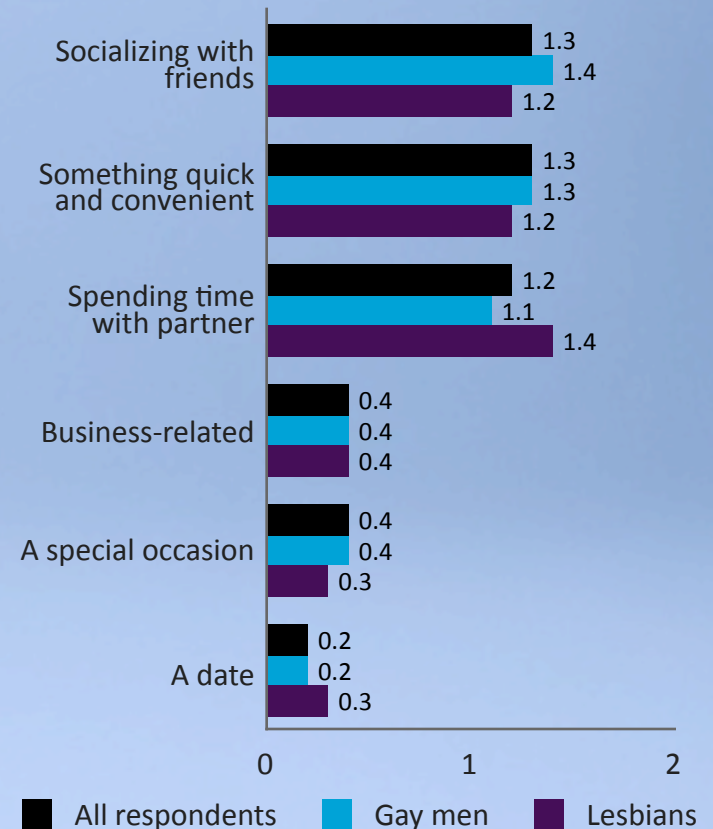
Q: Which of the following statements best describe your reaction to the amount of money you spend each week at restaurants, cafes and bars?



Socializing and convenience are primary occasions for evening meals out

- Evening meals in past week most likely to be for socializing with friends; something quick and convenient, or spending time with partner
- Lesbians slightly more likely to have had a meal out in past week to spend time with partner

Occasions for Evening Meals Out, Past Week (Mean)

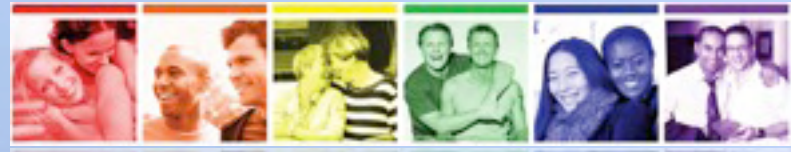


Base: Respondents who dine out for evening meals at least once a week (n=4079)

Q: Thinking back to the past week, how many times did you dine out for an evening meal for these purposes?

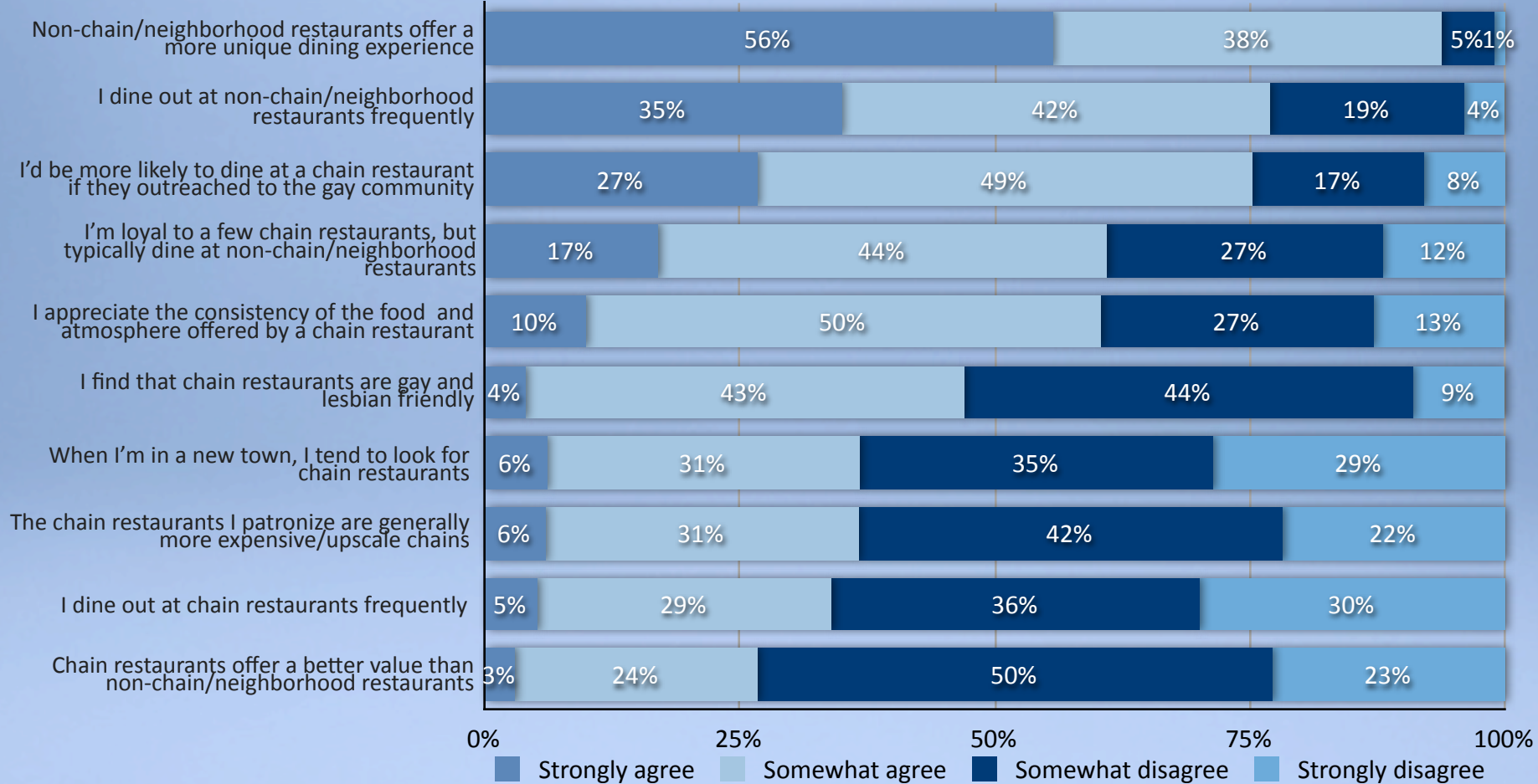


Chain Restaurants



Impressions of Medium/High-End Chain Restaurants

Reactions to Statements about Medium/High-End Chain Restaurants



Base: All respondents (n=4451)

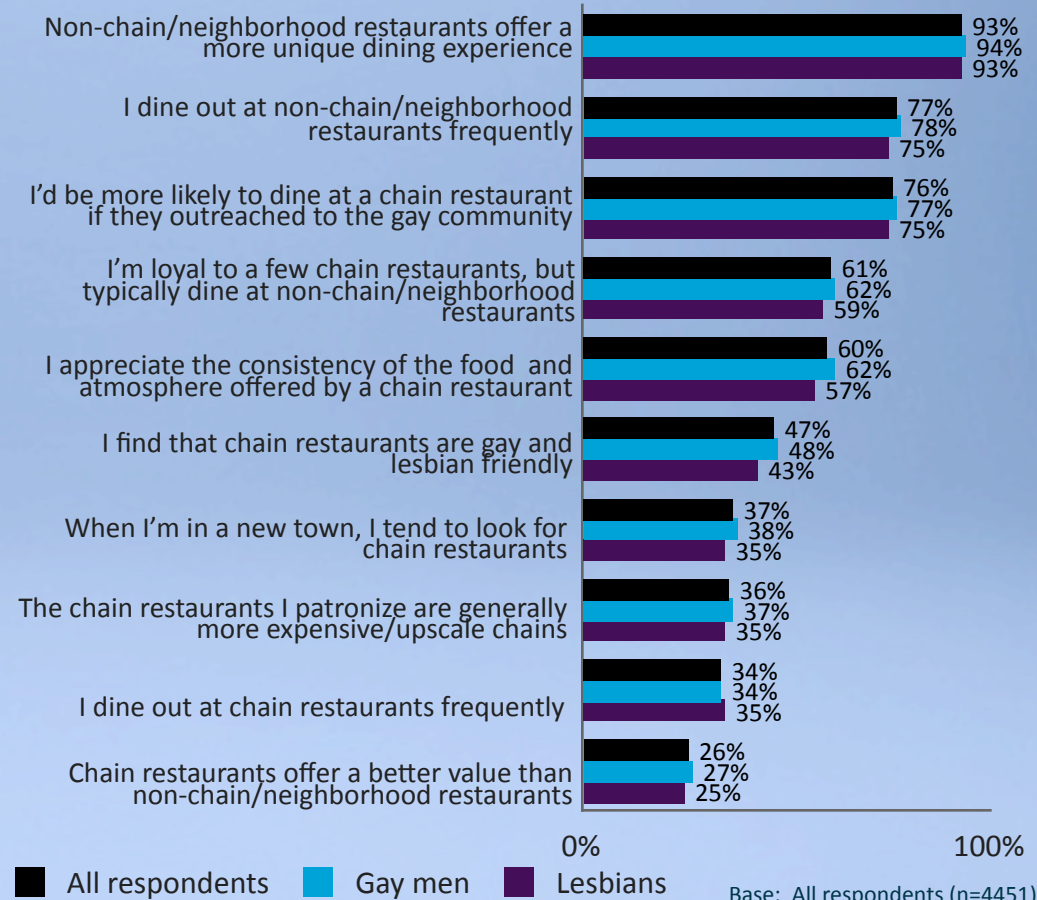
Q: Please indicate your reaction to these statements about chain and non-chain/neighborhood restaurants.



LGBT consumers more likely to patronize chain restaurants if they outreach to the gay community

- More than three-quarters (76%) are more likely to dine at a chain restaurant if they outreached to the gay community
- Slightly less than half (47%) say that chain restaurants are gay and lesbian friendly
- Nearly everyone (93%) agrees non-chain/neighborhood restaurants offer a more unique dining experience
- Still, well over half appreciate the consistency offered by chain restaurants (60%)

Chain/Non-Chain Restaurant Attitudes,
% Who Agree with Statement



Q: Please indicate your reaction to these statements about chain and non-chain/neighborhood restaurants.



Favorite chain restaurants mentioned in an open ended questions

Top mentions as a write in question - no responses were prompted

Percentage indicates percentage writing brand name of total participants

Medium-Priced/Upscale

- Olive Garden: 21%
- Applebee's: 19%
- Chili's: 17%
- Red Lobster: 10%
- Outback Steakhouse: 11%
- TGI Fridays: 9%
- PF Chang: 7%
- Cheesecake Factory: 6%
- Ruby Tuesdays: 6%
- Macaroni Grill: 5%

Quick-service

- McDonald's: 31%
- Wendy's: 23%
- Taco Bell: 22%
- Subway: 19%
- Burger King: 18%
- Chipotle: 9%

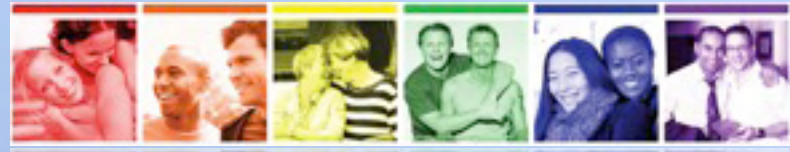
Base: All respondents (n=4451)

Q: Which [fast-food/quick-service / medium-priced/upscale] restaurant chains are your favorites? Please enter up to five.

* For purposes of this survey, a "chain" was defined as a food/drink outlet with five or more locations offering a comparably packaged experience.

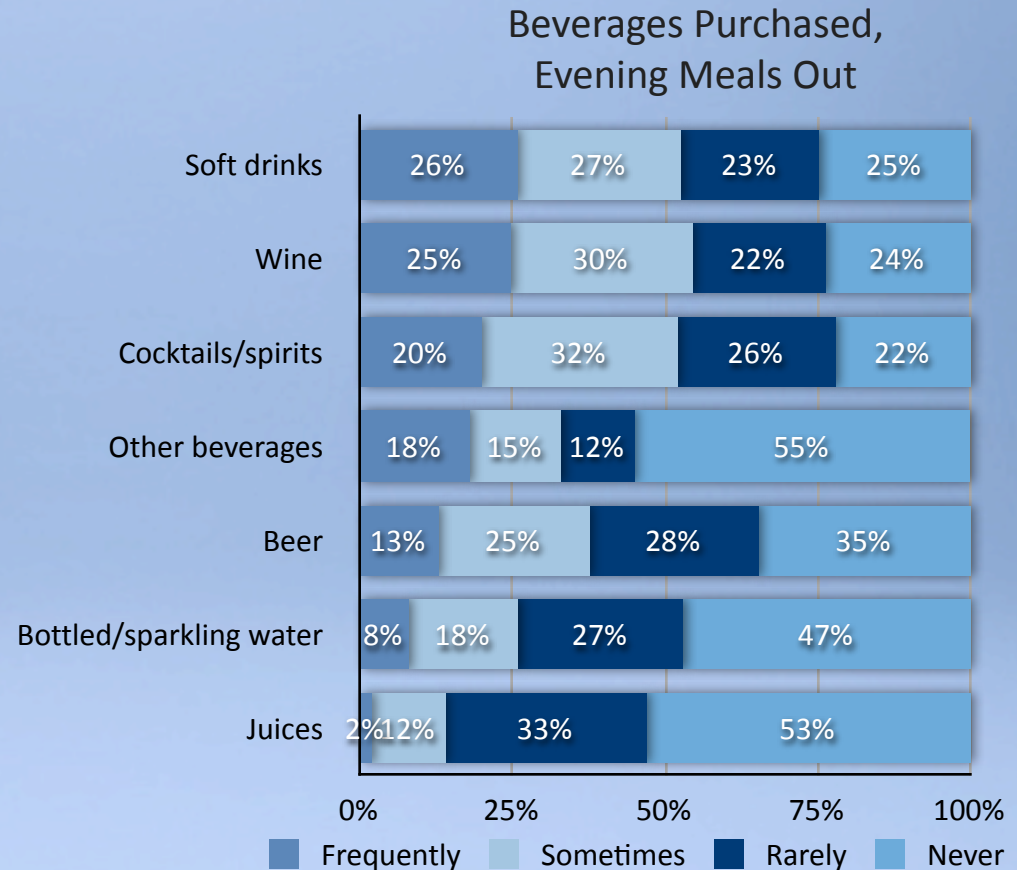


Beverages



Soft drinks, wine, cocktails/spirits most frequently purchased at evening meals out

- Overall, soft drinks and wine are beverages most frequently purchased at evening meals out
- Among alcohol beverages, wine and cocktail/spirits are most popular; slightly more than half purchase them at least sometimes (55% and 52%, respectively)
- Only one-quarter never purchase either soft drinks, wine, or cocktail/spirits individually



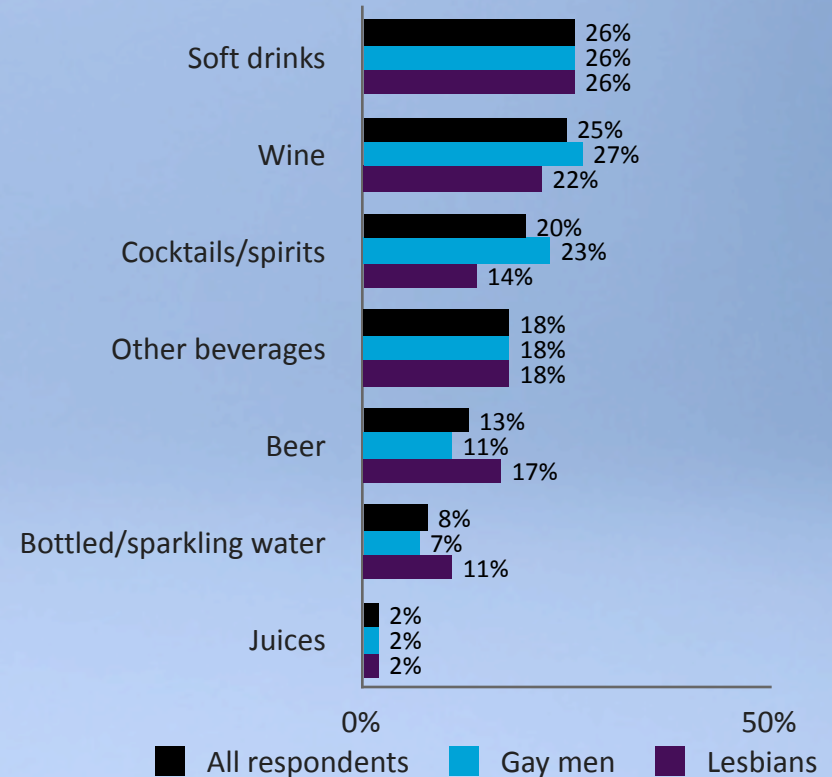
Base: All respondents (n=4451)
 Q: At a typical evening meal out, which of the following beverages do you purchase?



Wine is most popular alcohol beverage at evening meals out

- One-quarter (25%) purchase wine frequently at evening meals out; an additional 30% purchase it sometimes (*see previous page*)
- Wine and cocktails/spirits slightly more popular among gay respondents; cocktails/spirits purchased significantly less frequently by lesbians
- Beer and bottled/sparkling water more popular among lesbian respondents

Beverages Frequently Purchased, Evening Meals Out



Base: All respondents (n=4451)

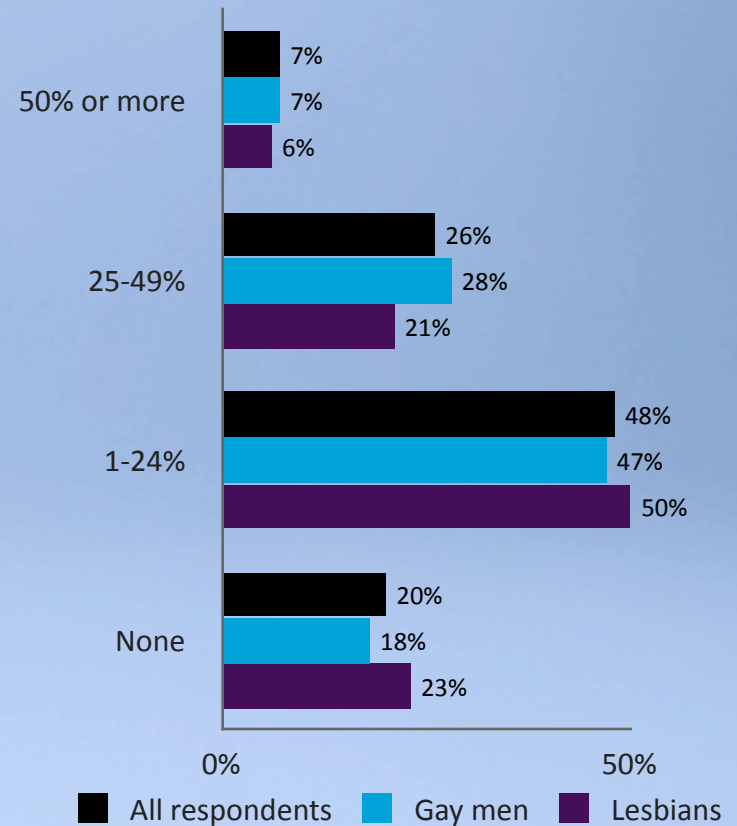
Q: At a typical evening meal out, which of the following beverages do you purchase?



Four in five purchase alcohol at a typical evening meal out

- At a typical evening meal out, alcohol comprises at least part of the bill for 81% of respondents
- For about half of respondents (48%), alcohol comprises 1-24% of the total check
- Gays are just slightly more likely than lesbians to spend more than 25% of their evening meal bill on alcohol

Share of Total Restaurant Bill Spent on Alcohol, Evening Meals

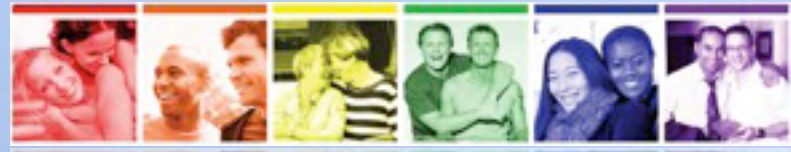


Base: All respondents (n=4451)

Q: At a typical evening meal out, how much of your total bill is spent on alcohol beverages like beer, wine, cocktails/spirits, etc.?



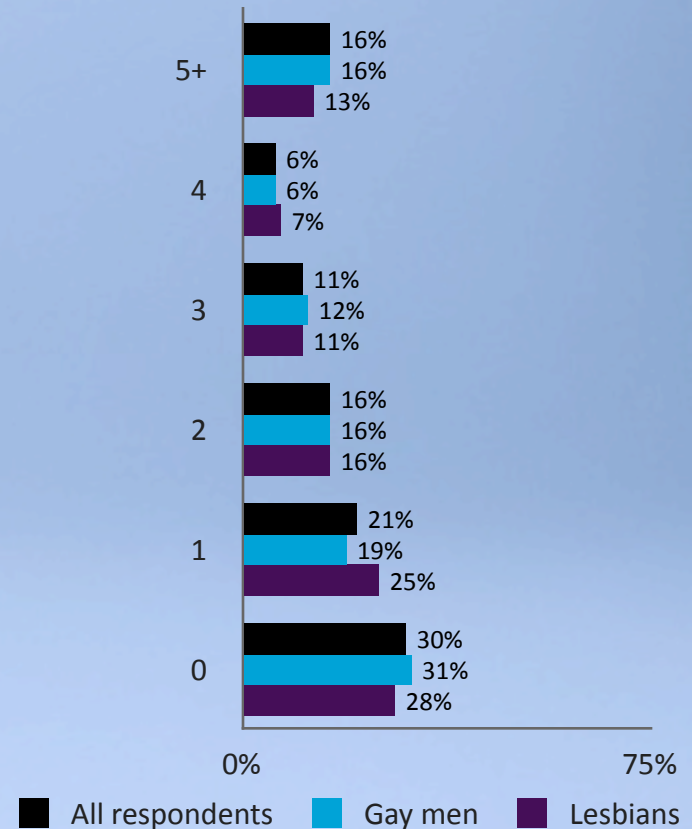
Coffee Shops/Cafes



Nearly one in five visit coffee shops/cafes almost daily

- Overall, 70% visit a coffee shop/cafe in a typical week
- Nearly one in five (16%) are daily or near-daily visitors to coffee shops/cafes; visiting them at least 5 times in a typical week
- No major detected differences between gay men and lesbians

Coffee Shop/Cafe Visits, Typical Week



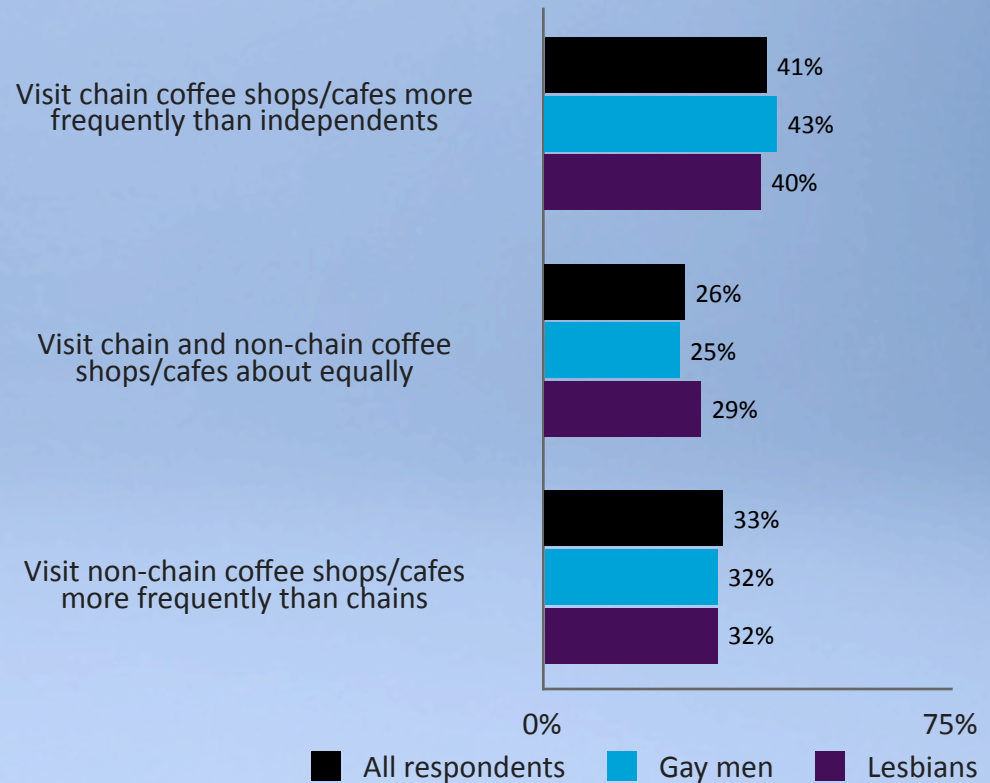
Base: All respondents (n=4451)
 Q: In an average week, how many times do you visit a coffee shop/cafe?



Chains and non-chain coffee shops almost equally popular

Chain vs. Non-Chain Coffee Shops, Frequency of Visiting

Overall, respondents were slightly more likely to visit chain coffee shops/cafes more frequently than non-chains; however, this difference is slight (41% visit chains more frequently than non-chains, vs. 33% who visit non-chains more frequently)



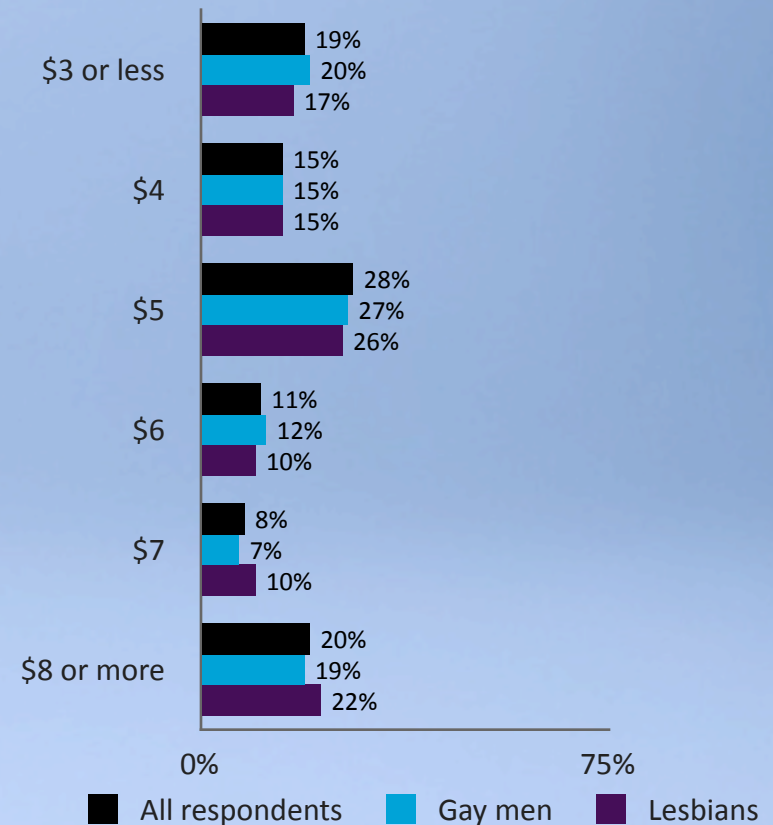
Base: Respondents who visit coffee shops at least 1x/week (n=3122)
 Q: Which of these statements best describes the coffee shops/cafes you visit in an average week?



Coffee shop/cafe spending is across the board

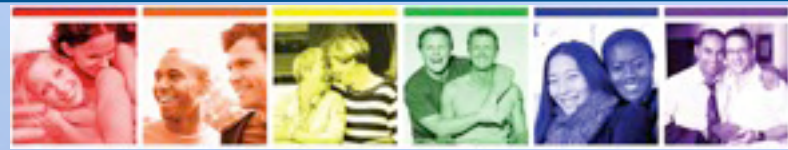
- Typical spend at coffee shops/cafes varies; most likely due to drink only vs. drink + food purchases
- Two-thirds (67%) spend \$5 or more at a typical coffee shop/cafe visit

Coffee Shop/Cafe Visits
Typical Spend (after tax/tip)

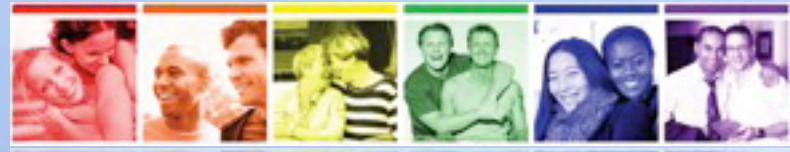


Base: Respondents who visit coffee shops at least 1x/week (n=3122)

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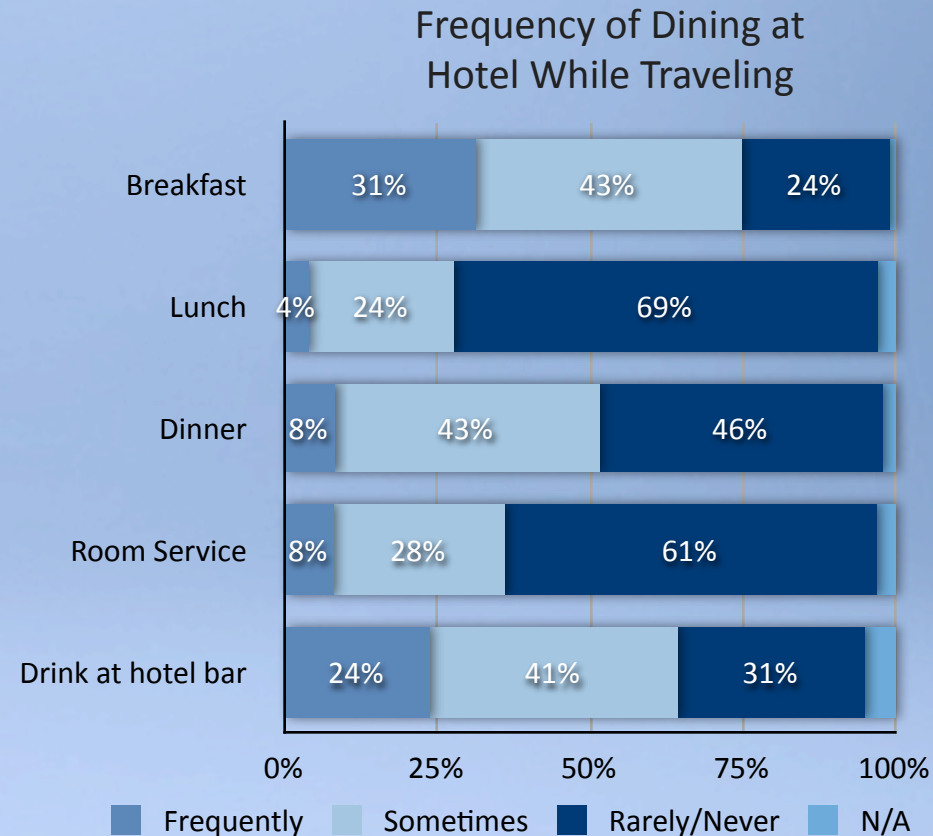


Hotel Restaurants



Among those who frequently stay in hotels*, three-quarters purchase breakfast at hotel

- Breakfast is most popular meal to purchase at hotel restaurants among those who spent 5+ nights in a hotel in the past year
- Lunch is least popular meal to purchase at hotel restaurant
- Hotel bar also a popular destination; nearly two-thirds (65%) order a drink at least sometimes
- Room service utilized by about one-third (31%) of respondents

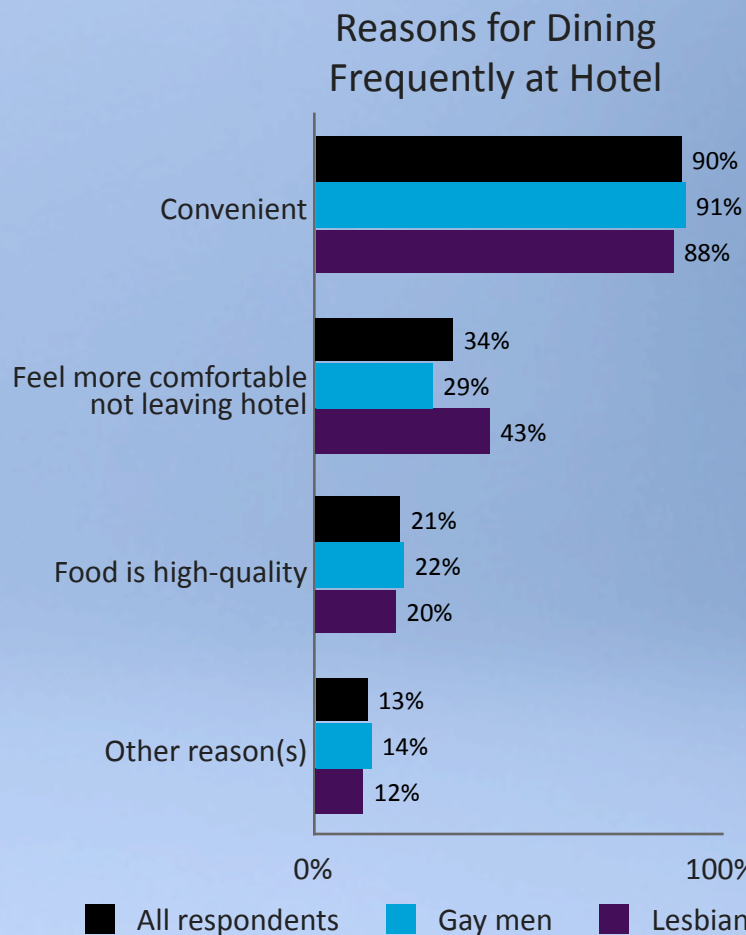


Base: *Respondents who spent 5+ nights in hotel in past year (n=2765)
 Q: When traveling, how likely are you to order a meal at your hotel's restaurant (assuming it has a restaurant)?

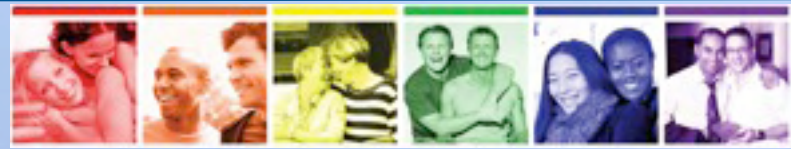


Convenience is biggest reason for dining at hotel

- 90% say they dine at hotel restaurants for its convenience
- About one-third (34%) dine at hotel restaurants because they don't feel comfortable leaving hotel; lesbians, especially, cite this as a reason
- Other reasons for dining at hotel varied widely, but include:
 - ✓ Ability to charge meal to room
 - ✓ Hotels sometimes have high-quality restaurant(s) on-site
 - ✓ Meals already included (inclusive package; conference/work group meal)
 - ✓ Too tired/exhausted to leave hotel

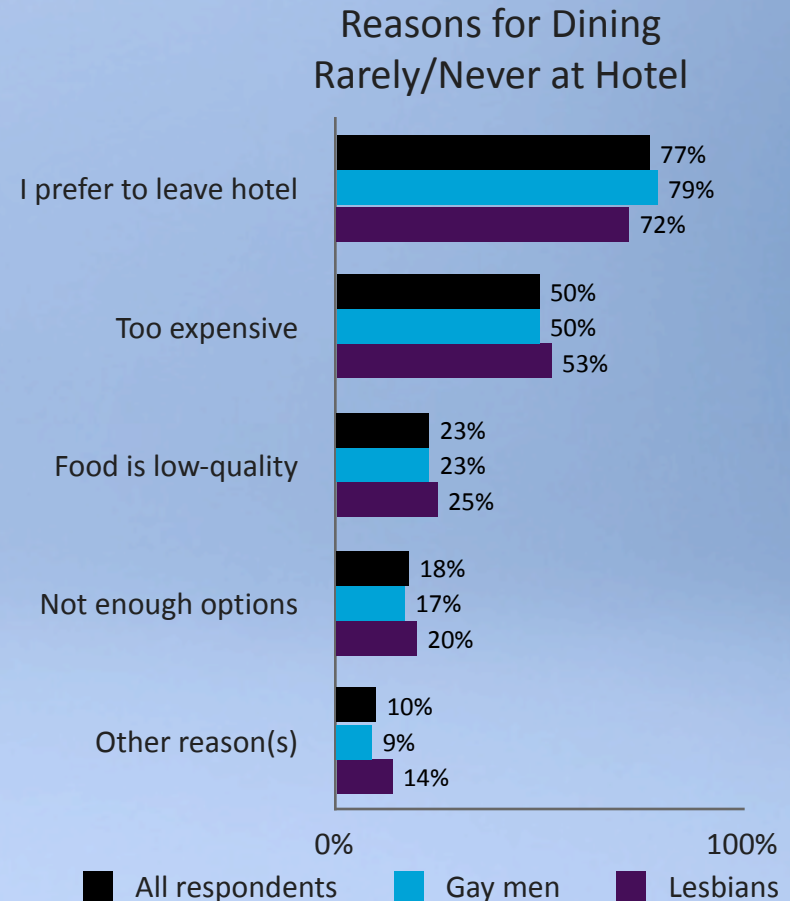


Base: Respondents who dine frequently at hotels (N=250)
 Q: You indicated you frequently order some meals at hotel restaurants. Could you please tell us why you dine at hotel restaurants?



Preference to “get out” is primary reason for not dining at hotel

- About three-quarters (77%) dine out rarely or never at hotel restaurants because they prefer to leave the hotel
- About half of respondents infrequently dine at hotel restaurants because they think they’re too expensive
- Other reasons for rarely dining at hotel included:
 - ✓ Inconvenient/not at hotel during mealtime
 - ✓ Want to experience local culture/cuisine
 - ✓ Lack of atmosphere or low-quality food at hotel restaurant(s)
 - ✓ Meeting friends elsewhere



Base: Respondents who dine rarely/never at hotels (n=2069)
 Q: You indicated you rarely or never order some meals at hotel restaurants. Could you please tell us why not?





Tom Roth and David Paisley

Tel. +1 415-437-3800

tom@CommunityMarketingInc.com david@CommunityMarketingInc.com

www.CommunityMarketingInc.com

ANDREW & Co.
FREEMAN
HOSPITALITY AND RESTAURANT CONSULTANTS

Andrew Freeman

Tel. +1 415-781-5700

andrew@afandco.com

www.AFandCo.com



LGBT Market Research:

There is a difference.

Market research studies and resulting statistics are meant to help marketers understand the LGBT communities, and influence educated decisions about their strategies and tactics. However, *not all research is the same*. Community Marketing's methodologies and experience are distinct from those of others when considering approaches, survey respondent sources—and ultimately—the validity and utility of sought-after results.

WHO ARE YOU TALKING TO?

Community Marketing, Inc. (CMI) has developed our proprietary consumer panel over the past 15+ years by circulating field surveys at leading LGBT events, and by partnering with LGBT organizations and media across the USA, Canada, the UK, and around the world. These partners distribute our survey invitations via print ads, web banners, and email broadcasts to their memberships and/or readers. The resulting panels are highly representative of LGBT consumers who interact with the LGBT community and media. *This is important:* If your communications channels are via the LGBT media, you'll want to depend on research that represents these consumers' interests, preferences, sensitivities and motivations. CMI research is trusted by—and frequently quoted in—the *New York Times*, *Chicago Tribune*, *Los Angeles Times*, *Miami Herald*, *USA Today*, the *Wall Street Journal*, *Brand Week*, *Ad Week*, CBS News, Associated Press, etc.

Other providers typically send out widely distributed panel invitations (via Yahoo, etc.), and then sort for those who trust the researcher enough to indicate that they are gay or lesbian in the context of a survey. This academic approach, attempting to "represent the gay community at large," may be appropriate for some studies. But we feel that for marketers desiring valid consumer insights about products, services, advertising creative and marketing strategies, this methodology it is not likely to represent LGBT community members who are reading the media where you are placing ads.

IN RESEARCH, SIZE DOES MATTER.

CMI has conducted over a hundred LGBT-dedicated research studies since the early '90s, covering a wide variety of topics, industries and interests. We both observe and influence the trends of this market. Size does matter in the case of research. Our research panel has grown to over 50,000 qualified LGBT consumers, the largest of its kind, by far. Our recent LGBT Consumer Index® study attracted over 30,000 survey participants, making it the largest such study in history. We leverage our long history/experience/expertise for your benefit, and fine-tune our portfolio of research panels, methodologies and approaches to best match your market intelligence goals.

Without access to this enormous resource of qualified LGBT consumer panelists, other companies have to compromise on the quality and demographic representation of the panel, or "reinvent the wheel" at your expense. One cannot fathom the diversity and complexities within LGBT (see below) on a small sample. And with small samples, you lose the opportunity to derive statistically-significant cross tabs on gender, geographical location, age, income, experience, product choice, etc. Can you really make the assumption that a 28 year old lesbian in Seattle has the same purchasing motivations and behaviors as a 67 year old gay man in Atlanta? Generalities and sweeping statements based on comparatively small samples can distort the results of research findings, potentially wasting your investment of time and resources.

DIVERSITY: THERE IS NO "LGBT MARKET"

Community Marketing emphasizes that there is no "gay market," just as there is no singular "Asian market." The LGBT communities represent a broad and dynamic spectrum of interests, sensitivities, preferences and priorities. Those, plus variations in geographical location, age, income, relationship status, gender, sexual identity and more, make it even more important to discover which opportunities *within LGBT* will help you achieve your goals. Fine tuning your approaches based on highly refined and well-targeted matches within LGBT will make your outreach initiatives more efficient and cost-effective, and will significantly improve your marketing ROI.

General surveys on "the gay market" are likely to only scratch the surface of the diversity and varieties of opportunities marketers can enjoy if properly explored and understood.

continues...

TWO SIDES OF THE COIN: QUANTITATIVE AND QUALITATIVE

CMI takes pride in operating the most consistent, longest-running series of LGBT community surveys in the world. But we don't stop there. *Quantitative* (data) research is one important side of a coin, but only tells half of the story. The other side of a comprehensive research initiative involves *qualitative* research, most notably derived from focus groups. We pre-qualify our focus group participants from among our survey panelists, identifying the best candidates based on characteristics such as age, gender, relationship status, geographical location, and even a propensity or history of using the client's products or services. We maintain sufficient numbers of panelists to conduct groups in most major metro areas across the USA, Canada and Britain, as well as several secondary markets. We've found that the same creative, tested in different regions, often yields substantially differing results. Isn't it wise to know that—and adjust your plans—before investing in marketing campaigns? CMI is the *only* LGBT-dedicated research provider that develops and facilitates LGBT focus groups and other *qualitative* research options. We have produced and reported on focus groups covering a wide variety of topics, plus we have run advisory board series, multi-year customer satisfaction survey projects and field studies which can round out a comprehensive market intelligence plan.

Running only online surveys, other research companies are telling half of the story. Without actual consumer interaction, they cannot fathom the deeper insights hiding behind the bar graphs and pie charts, nor can they adequately advise you on the sensitivities and complexities that are only uncovered in qualitative research... extremely important considerations that averages and extrapolated assumptions based only on averages are likely to miss.

WE DON'T OUTSOURCE!

Community Marketing maintains our own research panels and utilizes advanced, sophisticated research software. We do all of our research in-house, because nobody knows this market segment as well as we do. We never sell or rep another company's services, nor will we outsource your project to a 3rd party.

Some firms work as representatives of research companies, or outsource clients' projects, and report on the results of the 3rd party's work. But without being intimately involved in every aspect of the project, from discussing the client's goals and designing the study, to building the survey, implementing it and writing the report, and without engaging directly with consumers in focus groups, it is difficult to gain the insights that can only come from CMI's hands-on LGBT research specialization over 15 years.

TRUSTED

Community Marketing, Inc., founded in 1992, pioneered LGBT consumer research. Because we are LGBT-owned and -operated and well known in the community, we have earned the recognition and trust of our survey panelists. LGBT consumers recognize that we use research data to build corporate relationships, which ultimately lead to better conditions for LGBT employees, social progress, and sensitive communications.

PROUDLY LGBT-OWNED AND -OPERATED

One of the questions in HRC's Corporate Equality Index application is whether the applicant company includes LGBT-owned suppliers when sourcing products and services. When you contract with Community Marketing, you not only gain the benefit of our long-standing leadership in this field, you are working with one of the only LGBT-owned market research providers. Community Marketing, Inc. is a National Gay & Lesbian Chamber of Commerce-Certified LGBT-Owned Business Enterprise.

COMMUNITY CITIZENSHIP

CMI is involved in the LGBT community: we volunteer time, donate resources and raise funds for numerous community-based organizations. We also participate in the community's leading business and advocacy organizations, events and conferences, such as Out & Equal, HRC, National Gay & Lesbian Chamber of Commerce, Commercial Closet, International Gay & Lesbian Travel Association, National Lesbian & Gay Journalists Association, etc. This community connection is not only the right thing to do, it is essential for initiating appropriate relationships for our clients.

VALUE

You'd think that with this kind of specialization and experience, you'd be investing considerably more for CMI research than for studies from other companies. But it is due to our specific focus on LGBT market intelligence, and the cumulative 50+ years of dedicated LGBT research among the CMI team, that we can actually keep your costs low. We are not spending your money to locate qualified survey or focus group participants, nor are we spending our time (or your money) trying to source comparative data or case studies. We've done all that over the past 17 years for your benefit. And we are not running a large operation that juggles many accounts and projects of differing scope and focus. CMI's client dedication and market specialization delivers you superior intelligence at a fraction of the cost of other firms.

The facts are plain:

Gay men and lesbians own more homes and cars, travel more, spend more on electronics, and have **the largest amount of disposable income of any niche market.** And it's a sizeable niche: LGBT consumers make up 5% to 10% of the U.S. consumer market. Community Marketing will help you connect with this influential demographic.

> **Accurate, targeted market intelligence**

Utilizing quantitative and qualitative market research methodologies, Community Marketing helps companies better understand and more effectively reach the LGBT community. Our consumer panel provides insights through online surveys, focus groups, intercepts and more.

> **The largest, most representative panel**

With nearly 20 years in business, Community Marketing has developed a research panel of more than **50,000** LGBT consumers. We've partnered with media outlets and LGBT-oriented organizations and events throughout the country and around the world to recruit our qualified panel that's geographically representative of the LGBT population.

> **Candid responses, honest feedback**

As an LGBT-owned and -operated firm, we've established trust with our panelists. We speak their language and know how to communicate effectively with them. As a result, our panelists are willing to talk with us frankly and frequently, even about sensitive issues.

> **About Community Marketing, Inc.**

Since 1992, Community Marketing has provided market research, strategic consulting and marketing planning services to a wide variety of clients. We've provided LGBT consumer intelligence to market leaders like Ernst & Young, Wells Fargo Bank, ABSOLUT, New York Life, Japan Airlines and Hyatt Hotels, as well as the US Government (Census Bureau). We've completed hundreds of custom quantitative and qualitative research projects for clients worldwide. We also present public and custom on-site educational seminars and workshops. In 2010, Community Marketing will host educational symposia on four continents. Learn more on our website, www.communitymarketinginc.com.

**CMI's LGBT
Consumer Panel**

50,000+

Gay, lesbian, bisexual
and transgender consumers

45 median age

71% college grads

84% are employed

66% hhi >\$50K

60% own a home

46% live with partner

88% own a car

69% drink at bars
and restaurants

spend **\$100** at bars &
restaurants per week

37% make purchasing
decisions at work

67% are on facebook

12 mo. purchases

smart phone: 30%

laptop computer: 29%

hdtv: 27%

running shoes: 36%

ABOUT COMMUNITY MARKETING, INC.

The facts are plain: As a niche market segment, gay men and lesbians have a significant amount of disposable income. Most critically, their dollars go to product and service suppliers that recognize their unique buying preferences and offer them differentiated value.

Community Marketing, Inc. has been helping a wide variety of industry leaders master the subtleties of this market since 1992. Our unique and specialized services are based on over 17 years of experience and case studies, and include market research (online surveys, focus groups, intercepts, interviews, advisory boards, etc.), with our proprietary panel of 50,000 LGBT consumers; strategic consulting; marketing planning; media buying; and marketing plan management. We produce custom, on-site training sessions, develop conferences, symposia and webinars, and speak at industry events.

Whether your organization is just learning about the market or is updating its strategy, Community Marketing can accelerate your plans, reduce your risks and deliver measurable results. Because the LGBT community comprises a “slice” of the world’s population, you’ll find markets for singles, couples and families in every ethnicity. And you’ll find a world of diverse interests. Community Marketing’s proven, powerful portfolio of services helps deliver your targeted markets.

Community Marketing, Inc. has earned its position as the global leader in LGBT market research and development. Through the company’s tireless efforts since 1992, “doors have opened” around the world for gay and lesbian consumers. We have helped grow LGBT market recognition through research, media relations and education; and have brought opportunities to many of the world’s leading marketers.

CMI’s LGBT Market Research + Development Lab™ projects include:

- ABSOLUT (Pernod Ricard)
- Bridgestone Corporation
- Cirque du Soleil
- Chicago History Museum
- Chubb Insurance
- E. & J. Gallo Winery
- Ernst & Young
- Greater Philadelphia Tourism Marketing Corporation
- Harrah’s Entertainment
- Hyatt Hotels & Resorts
- Japan National Tourism Organization
- MillerCoors Brewing Company
- New York Life
- NYC & Co.
- Starwood Hotels & Resorts
- Switzerland Tourism
- Travelocity
- Union Bank
- U.S. Government (Census Bureau)
- The Venn Company, Developers
- Wells Fargo Bank

And many others