

15%

# the trillion dollar blindspot

Shining a Light on the Ever-Evolving LGBTQIA+ Audience



## At Ahzul,

we find **inspiration in culture to help brands** advance the way they connect with their audiences.

**We are passionate and curious researchers**, and our team members are proud members of the diverse communities that we learn from, including the **LGBTQIA+ audience.**

The **LGBTQIA+ segment** has been coined **'the trillion dollar blindspot'** – they are a growing population with money to spend, but remain an underserved audience.

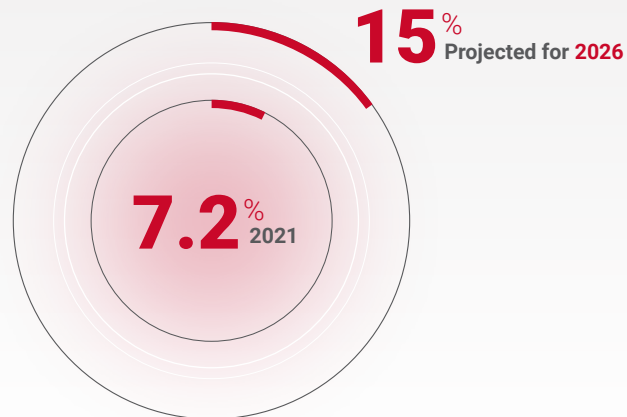
They are a **large and fast-growing audience.**

The **LGBTQIA+** market is currently the fastest growing consumer market in the U.S. **Of total Americans, 7.2% currently identify as LGBTQIA+** and this number is projected to grow to

**15% in 2026.**<sup>1</sup>

U.S. Adults Who Identify As **LGBTQIA+**

**LGBTQIA+** ———  
General Population ———



As of 2021, **34% of Millennials** and **46% of Gen Z** express attraction to both **sexes or identify as plurisexual, embracing sexual and gender fluidity.**<sup>2</sup> Not only is the LGBTQIA+ audience growing rapidly, so is the ally population – those who support their LGBTQIA+ friends and family, appreciate representation and inclusion, and **support the brands that do as well.**

<sup>1</sup> Bloomberg, 2023, Gallup, 2022

<sup>2</sup> Forbes, Representing Fifty Shades of Gap in the LGBTQ+ Marketplace

# They *have* **purchasing power.**

LGBTQIA+ purchasing power in the **U.S. topped \$3.9 trillion** by the end of 2022, which is on par with African American and Hispanic communities in the U.S.<sup>3</sup> To give some context, **LGBTQIA+ purchasing power also far exceeds the GDPs of Australia (\$1.7T) and Spain (\$1.6T).**

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# They *are* **influential.**

**60%** of non-LGBTQIA+ agree **“their LGBTQIA+ friends are at the forefront of cultural trends.”**<sup>4</sup>

Interestingly, **however**, despite their high purchasing power and strong cultural influence, marketers don't seem to have fully understood or embraced the opportunity. **91% of LGBTQIA+ people say they wish they could see more advertising with families like theirs.**<sup>5</sup> And according to GLAAD, only 1.8-2% of all mainstream media ad spend was directed toward LGBTQIA+ consumers in 2020.<sup>6</sup> At the same time, **75% of non-LGBTQIA+ people say they are comfortable seeing LGBTQIA+ people in ads.**<sup>7</sup>

% of LGBTQIA+ who wish they could see more advertising with families like theirs.



Mainstream media ad spend directed toward LGBTQIA+ consumers in 2020.



**A recent survey found that Americans are twice as likely to support pro-LGBTQIA+ brands and 4.5 times as likely to work for them.** (Edelman, 2022).

Brands are taking important first steps, but often stop there.

Many brands have recognized the opportunity to support their **LGBTQIA+** employees and customers, and have advocated for change, whether through **internal inclusion policies, recognizing and celebrating Pride month, and/or through targeted marketing efforts to connect with this audience.** And yet, while these efforts are admirable, **few companies have fully embraced the opportunity, and many companies are fearful of taking those first steps.**

*But why?*

<sup>3</sup> Bloomberg, 2023  
<sup>4</sup> Paramount, 2022  
<sup>5</sup> GLAAD, 2022  
<sup>6</sup> Forbes, Representing Fifty Shades of Gap in the LGBTQ+ Marketplace  
<sup>7</sup> GLAAD's 2023 Accelerating Acceptance study

# marketers often

**Marketers often**  
don't know *where*  
to start.

Consumer research has traditionally focused first on demographics to define an audience or segment. The **LGBTQIA+** community, on the other hand, **is demographically diverse, and is first and foremost comprised of individuals who have come to a personal, values-based realization about their sexuality at some point in their lives.** **Demographics** and **other psychographics** are of course the overlay for further exploration, but starting with this insight and mindset helps understanding.

Taking an **intersectional approach** (taking into account the interconnected nature of race, class, gender and sexuality as they apply to a given individual or group) **is critical** – but not easy either, **especially for marketers with limited time and resources.**

**Brands are afraid of getting it wrong, and sometimes find it easier to do nothing.**

True representation of **LGBTQIA+** identities is a complex challenge for marketers and **brands often have a fear of sending an inauthentic message.**

While some of the **LGBTQIA+** community recognize the rainbow merchandise and representation in Pride parades as progress, **others are left puzzled and disappointed when the rainbows go away come July**, which often results in feelings of **"rainbow-washing"** – the act of using or adding rainbow colors to indicate progressive support that is only temporary.



# In a polarized society, taking a stand can sometimes backfire and alienate.

In our current polarized society, **brand statements today are often interpreted as political**, even if that wasn't their intent. Taking a stand on "**polarizing**" issues can be fraught for brands.

- **Target's Pride merchandise launch in June 2023 was met with misunderstanding and protest from anti-LGBTQIA+ activist groups**, causing the retailer to pull some of the collection from its shelves, resulting in anger from the community it was aiming to celebrate.
- **Bud Light's commercial in early 2023**, which aimed to help reverse declining sales through a partnership with a transgender TikTok star, **instead stirred intense backlash towards the brand among some of its consumer base.**

Understandably, brands might be hesitant to embrace the opportunity because they fear "**getting it wrong**" or alienating other audiences. However, as more people across the country are identifying as **LGBTQIA+**, **it is critical for brands to explore how they can connect with this audience in relevant and authentic ways.**

**Taking the first steps to reach the LGBTQIA+ segment isn't always easy, but it is important.**

As the **LGBTQIA+** audience grows, the opportunity (and the need) to develop relationships with these consumers will only increase. By working to understand LGBTQIA+ consumers' unique perspectives and needs, **brands and companies can work to ensure that their internal company policies and external marketing efforts are reflective, authentic, and inclusive of this segment.**



# If you are interested in learning more about connecting with the **LGBTQIA+** market, here are a few helpful tips on where to start:

## 1 Take the time to learn about your brand's **LGBTQIA+ (and potential)** audience

- Lead with the idea that everyone wants to be represented and heard, but they first must be understood. Allocate adequate resources and budget to research and **understand this audience's unique perspectives and needs.**
- Take time to research and **understand basic terminology around sexuality and gender** and **use it in the appropriate context.**
- **Committing to understanding the sentiments and perspectives of non-LGBTQIA+ consumers is also critical.** Understand where you might face opposition to **LGBTQIA+** messaging and how best to position your brand as inclusive for all.
- **Learn today, evolve tomorrow:** society and the **LGBTQIA+** community will continue to evolve, and growing with them will help keep your brand current.

## 2 Before you look outward, **look inward**

- Ensure that your **company practices are supportive** of **LGBTQIA+** employees.
- Let your **LGBTQIA+ employees know you stand with them, that their voice matters, and you want to learn from them.**

## 3 Ensure marketing efforts are authentic and *year-round*

- **Avoid stereotypes and aim for intersectional characters,** images and representation in media.
- **Empower queer voices** where you can – give people from diverse audiences the opportunity to speak for themselves and to each other on behalf of the brand.
- Go beyond “rainbow-washing” by **making a 365-day/year commitment to the community.**

Inspired to learn and do more? **Give us a call!**  
*We'd love to partner with you to make sense of it all.*

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