

teaching note

Richmond, Virginia is Out: A DMO case study of LGBT marketing

Case Study Summary

In this case study, a bold marketing strategy by a Destination Management Organization (DMO) to attract the lesbian/gay/bisexual/transgender (LGBT) market segment is highlighted. Specifically, this case study illustrates how Richmond Region Tourism (RRT), the city's DMO, positioned themselves as a LGBT-friendly destination. RRT accomplished strong results by overcoming antiquated stereotypes of the city, stemmed from outdated typecasts and labels of this capital city.

Now that RRT has successfully implemented the marketing initiative, its leaders are wondering what the next step is to maintain LGBT tourists continue visiting and encourage repeat visitation to Richmond. Suppliers of LGBT tourism have failed to adapt to altering reflections of current realities in society and predominantly focused on treating the LGBT community as homogenous, as reflected in marketing campaigns for a "one-size fits all" approach. The case study provides a literature review including motivational factors of the LGBT tourist and destination choices. The case study provides students with background information and characteristics of potential sub-segments of LGBT tourist segments.

Learning Objectives

The aim of this case study is to examine how RRT managers should continue to market to the LGBT community. First, students need to discuss the question, "Should the LGBT community continue to be treated as a homogenous market segment, with LGBT tourist sharing similar motivations, needs, and wants" or "should the LGBT community be treated as a diverse community with differing sub-segments, each requiring products/services and marketing." Second, students need to address which sub-segment(s) of the LGBT community RRT should market. Students can utilize this case study to identify factors of sub-segments of the LGBT community, develop a plan that targets sub-segment(s), and evaluate each market segment for attractiveness.

Utilizing Bloom's Taxonomy (Bloom, Engelhart, Furst, Hill, & Krathwohl, 1956), the following objectives have been created for this case study. The learning outcomes (LO) of this case study are to develop knowledge/skills to enable students to:

LO1. Critically evaluate and reflect upon specific marketing decisions and marketing strategies in relation to the dynamic nature of the environment in which marketing decisions are made and assess the implications for marketing strategy determination and implementation.

LO2. Apply marketing concepts and techniques to assess market opportunities and develop creative solutions to destination marketing problems.

LO3. Critically analyze, discuss, and evaluate the literature on LGBT tourism in relation to destination marketing.

LO4. Demonstrate secondary research skills to collect, collate, and integrate scholarly works on applied marketing topics.

LO5. Use oral and written skills to demonstrate their understanding of this case study and to create a coherent and rigorous argument in analysis and solutions.

LO6. Construct an awareness of the LGBT community, an under-represented and diverse community.

Target Audience

The case study is designed for undergraduate students in a hospitality, tourism, or events management program studying destination marketing. Since this case study involves higher level of thinking in terms of identifying marketing segmentation attractiveness for a DMO, it is recommended that this case be used in upper level classes. Additionally, this case study would be appropriate for an undergraduate marketing business class. Since many universities and colleges have a diversity requirement, this case study could be used in a class about diversity as the case study's content is about the LGBT community, an underserved and increasingly visible minority segment. For industry, this case study would be appropriate for destination marketers and managers responsible for identifying new tourist sub-segments.

Teaching Approach and Strategy

It is recommended that three 50-minute class periods (or two 75-minute class periods) be devoted to this case study. For this case study, there are eight elements of the teaching approach and strategy: pre-readings, pretest, class instruction/lecture, group assignment, group assignment report out, class discussion, posttest, and self-reflection. Table 1 provides the outline of the case study including instructions, sources, time devoted to each activity, and the learning outcome affiliated with the activity.

Table 1

Case Study Teaching Approach

Activity	Instructions	Source	Time Devoted	Learning Objective (LO)
1. Pre-Reading	Before the start of the case study module, assign students the following article as well as this case study to provide students with a brief background of RRT.	1. Elliott, S. (2014). Richmond, VA., makes a bold appeal for L.G.B. T. Tourists. New York Times. Retrieved from: https://www.nytimes.com/2014/09/15/business/media/richmond-va-makes-a-bold-appeal-for-lgbt-tourists.html?_r=0 2. Case Study: Richmond Virginia is Out: A DMO Case Study of LGBT Marketing	Pre-Reading before class	LO1, LO6
2. Pretest	On the first day of the case study, give students a pretest to measure and benchmark their current understanding of market segmentation and this case study.	Pretest (Appendix A)	15 minutes	LO1, LO2, LO3
3. Class Instruction/ Lecture	Instructor engages in class facilitation and lecture.	Class Facilitation/Instruction based on Class Instructions: LGBT Terminology (Appendix B), Market Segmentation & Positioning, RRT Problem, LGBT Sub-Segments	40 minutes	LO1, LO2, LO3, LO6
4. Group Assignment	Teams will be divided into teams to complete assignment.	Group Assignment (Appendix C)	Out of Class	LO1, LO2, LO3, LO4, LO6
5. Group Assignment Report Out	Teams will briefly present their group assignment.	In Class	30 minutes	LO5
6. Discussion Questions	Instructor will engage with discussion questions and answers.	Discussion Questions	20 minutes	LO1, LO2, LO3, LO5, LO6
7. Posttest	Posttest will be used to measure and benchmark students' understanding of case.	Posttest (Appendix D)	15 minutes	LO1, LO2, LO3
8. Self-Reflection	Students will reflect on their understanding of the material.	Self-Reflection Assignment (Appendix E)	Out of Class	LO6

Table 2

Segmentation Variables

Segmentation Variable	Segmentation Dimensions	Example
Geographic	Tourist Location (country, state, city, neighborhood)	Tourists that live in Washington, D.C., two hours from Richmond.
Demographic	Age, Gender, Sexual orientation ¹ , Gender identity ² , Occupation, Family status, Household income	LGBT families who are middle-class
Psychographic	Lifestyle, Attitudes, Beliefs	LGBT tourists who prefer to travel to unique destination
Behavioral	Rates of usage, Benefits sought from destination, Readiness to visit the destination	Repeat tourists vs. first-time tourists

Class Instruction/Lecture

First Class Session

1. Start the class by having students complete the pretest (Appendix A) (15 minutes).
2. Review the background of LGBT tourism, LGBT terminology (Appendix B), LGBT motivation factors for traveling, market segmentation and positioning, and sub-segments (40 minutes).

Market Segmentation & Positioning

Market segmentation is often used by DMOs to divide a large market into subsets of tourists that have similar needs, wants, interests, and priorities. The four main segmentation variables are: geographic, demographic, psychographic, and behavioral characteristics (see Table 2). Once a market has been divided into different subsets, unique advertising and communication, as well as differentiated tourism products and services can be developed for the specific market.

Once a destination marketer has segmented the market, the destination marketer needs to evaluate if each segment is effective. Marketers can do this in a combination of four distinct manners:

- A. Substantial – the market needs to be large enough and financially attracted enough in order to warrant success.
- B. Measureable – the market segment must be able to be counted in terms of current and potential size and potential spending.
- C. Accessible – the market must be reachable through traditional and new marketing channels.
- D. Actionable – the destination and marketing communications for a segment need to be appealing in order to attract the segment; in other words, the segment needs to want to visit the destination.

1. Next, lead a class discussion on the current industry problem faced by RRT.
2. Lead a discussion on the potential LGBT sub-segments discussed and the products and services the segment would want in a destination:
 - A. Gender/sexual orientation differences
 - B. Age differences (Millennials vs. Generation X vs. Boomers)
 - C. LGBT families
 - D. LGBT weddings
 - E. LGBT festivals and events
3. Divide the class up into groups of five to seven people and explain the group project (Appendix C) (10 minutes)

Second Class Session

4. Each team will have five minutes to present their findings from the group project (30 minutes)
5. Facilitate a conversation with the following discussion questions and answers (20 minutes)
6. Have students complete Posttest (Appendix D) (15 minutes)
7. Assign and explain the Reflection paper (Appendix E) (5 minutes)

Discussion Questions & Answers

1. Should RRT continue to market to the entire LGBT community with similar needs, wants, and motivation factors?

Richmond's marketing campaign "Richmond is Out" for the LGBT market began in 2014 and is considered to be successful. However, evidence and recent trends consistently suggest that LGBT market is not homogenous but there are different sub markets with different needs, wants, and desires when seeking out a tourism destination. Similarly, recent academic literature also suggests that the LGBT travelers should not be treated as one cohesive market. As RRT continues their effort to attract the LGBT tourists, they should consider identifying sub-niche markets that match with the region. Then, RRT should refine their marketing

¹ Sexual orientation is defined as the sex to whom one is sexually, emotionally, and romantically attracted (APA, 2011).

² Gender identity is defined as one's sense of oneself as male, female, or transgender (APA, 2011).

strategies by tailoring and highlighting tourism and hospitality products to reach those niche market(s) effectively. For example, after the legal recognition of LGBT marriage in Virginia in October 2014, Richmond hosted the state's first gay and lesbian wedding show, featuring 60 wedding vendors in April 2016.

2. What are the motivational factors for the Gay/LGBT tourist to visit a destination?

Literature suggests that gay men travel in search of their identity to meet and socialize with other gay men and escape from social restrictions (Holcomb & Luongo, 1996; Monterrubio et al., 2007). Clift and Forrest (1999) identified three motivations of gay travelers: gay social life/sexual encounters, culture and sights, and comfort and relaxation. Additional studies have found motivation factors including the desire to engage in social interactions and self-exploration, self-fulfillment, and escapism from daily routines (Hughes, 2005; Waitt & Markwell, 2006). In the review of gay travel research, Vorobjovas-Pinta and Hardy (2015) summarize that two major motivations for gay travelers are the need of freedom and a sense of belonging. Please note that LGBT tourism research has focused on gay travelers and these research findings are based on gay men and may not reflect different sub-groups within the LGBT tourist market.

3. What are the advantages and disadvantages for marketing to the LGBT community?

The LGBT market has been generally described to have higher disposable income, travels more, and spend more money while traveling compared to his/her heterosexual counterparts. Destinations that market the LGBT community are often viewed as being more progressive and accepting. Disadvantages include a potential backlash against the destination, alienation by current visitors, and political pressure faced by a DMO. RRT faced minimal backlash with their marketing efforts toward the LGBT community.

4. If RRT segments the LGBT community into diverse segments, each with differing needs, wants, and motivation factors, how should they do this?

RRT could segment the community, based on current trends in LGBT tourists' sub-segments. RRT could segment by geographic, demographic, psychographic, and behavioral differences. Differences exist by age and gender. Additionally, recent advancements have created new sub-segments, such as LGBT weddings and LGBT families.

5. What marketing research would be needed to examine each of the segments?

Additional marketing research would need to examine any sub-segments' potential size, potential visitor spending, and the sustainability of sub-segments. Marketing research can provide insight to the best way to reach the sub-segmentation

and which marketing channels would be most appropriate to reach the sub-segment.

Additional Readings & Resources

Destination Marketing Organizations

- Baker, M. J., & Cameron, E. (2008). Critical success factors in destination marketing. *Tourism and Hospitality Research*, 8(2), 79-97.
- Blain, C., Levy, W. E., & Ritchie, J. R. B. (2005). Destination branding: Insights and practices from destination management organizations. *Journal of Travel Research*, 43, 328-338.
- Destination Marketing Association International (<http://www.destinationmarketing.org/faq>).
- Gretzel, U., Yuan, Y., & Fesenmaier, D. R. (2000). Preparing for the new economy: Advertising strategies and change in destination marketing organizations. *Journal of Travel research*, 39, 146-156.
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- Wang, Y., & Krakover, S. (2007). Destination marketing: Competition, cooperation or coopetition? *International Journal of Contemporary Hospitality Management*, 20(2), 126-141.
- Wang, Y., & Pizam, A. (2011). Destination marketing and management: Theories and applications. CAB International: Oxfordshire, UK.
- Wang, Y., & Xiang, Z. (2007). Toward a theoretical framework of collaborative destination marketing. *Journal of Travel Research*, 24, 75-85.

Tourism Segmentation, Target Marketing, and Positioning

- Chen, J. S., & Uysal, M. (2002). Marketing positioning analysis: A hybrid approach. *Annals of Tourism*, 29(4), 987-1003.
- Cox, C., & Wray, M. (2011). Best practices marketing for regional tourism destination. *Journal of Travel & Tourism Marketing*, 28(5), 524-540.
- Dolnicar, S. (2002). A review of data-driven market segmentation in tourism. *Journal of Travel & Tourism Marketing*.
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- Pike, S. D. (2002). Destination image analysis: A review of 142 papers from 1973-2000. *Tourism Management*, 23(5), 541-549.

LGBT Tourism

- Boyd, N. W. (2011). San Francisco's Castro district: From gay liberation to tourist destination. *Journal of Tourism & Cultural Change*, 9(3), 237-248.
- Browne, K., & Bakshi, L. (2011). We are here to party? Lesbian, gay, bisexual and trans lesiurescapes beyond commercial gay scenes. *Leisure Studies*, 30(2), 179-196.
- Community Marketing & Insights. <http://www.communitymarketinginc.com/>
- Guaracino, J. (2007). *Gay and lesbian tourism: The essential guide for marketing*. Elsevier: Burlington, MA.
- Heney, P. J. (2015). Focus on LGBT travel. Retrieved from: <http://www.travelweekly.com/Travel-News/Travel-Agent-Issues/Focus-on-LGBT-travel-family-travel>.
- IGLTA. <https://www.iglta.org/>.

Lifelong Adoption Statistics. Retrieved from: <http://www.lifelongadoptions.com/lgbt-adoption/lgbt-adoption-statistics>.

Out Traveler (2016). Retrieved from: www.outtraveler.com

Visser, G. (2003). Gay men, tourism, and urban space: Reflections on Africa's 'gay capital.' *Tourism Geographies*, 5(2), 168-190.

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APA. (2011). Definition of terms: Sex, gender, gender identity, sexual orientation. Retrieved from: <https://www.apa.org/pi/lgbt/resources/sexuality-definitions.pdf>

Bloom, B. S. (Ed.). Engelhart, M. D., Furst, E. J., Hill, W. H., Krathwohl, D. R. (1956). Taxonomy of Educational Objectives, Handbook I: The Cognitive Domain. New York: David McKay Co Inc.

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Hughes, H. (2005). A gay tourism market: Reality or illusion, benefit or burden? *Journal of Quality Assurance in Hospitality & Tourism*. 5(2-4), 57-74.

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Vorobjovas-Pinta, O., & Hardy, A. (2015). The evolution of gay travel research. *International Journal of Tourism Research*.

Waitt, G., & Staple, C. (2011). "Fornicating on floats"? The cultural politics of the Sydney Mardi Gras. *Parade beyond the metropolis, Leisure Studies*, 30(2), 197-216.

Appendix A

Pretest

1. What are characteristics of the LGBT target market?
 2. Describe the problem/challenge facing RRT.
 3. What are the advantages in marketing to the LGBT tourist?
 4. Explain the “push-pull” motivations of LGBT tourists.
 5. Describe current trends in LGBT tourist segments.
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Appendix B

LGBT Terminology

- **Bisexual** – a person emotionally, physically, and/or sexually attracted to males/men and females/women. This attraction does not have to be equally split between genders, and there may be a preference for one gender over others.
- **Coming Out** – may refer to the process by which one shares one’s sexuality, gender identity, or intersexed status with others (to “come out” to friends, etc.)
- **Gay** – 1. Term used in some cultural settings to represent males who are attracted to males in a romantic, erotic, and/or emotional sense. Not all men who engage in “homosexual behavior” identify as gay, and as such this label should be used for caution. 2. Term used to refer to the LGBT community as a whole, or as an individual identity label for anyone who does not identify as heterosexual.
- **Homosexual** – a person primarily emotionally, physically, and/or sexually attracted to members of the same sex.
- **Lesbian** – term used to describe female-identified people attracted romantically, erotically, and/or emotionally to other female-identified people.
- **LGBT** – a common abbreviation for lesbian, gay, bisexual, and transgender community.
- **Sexual Orientation** – the desire for intimate emotional and/or sexual relationships with people of the same gender/sex, another gender/sex, or multiple genders/sexes.
- **Transgender** – A person who lives as a member of a gender other than that expected based on anatomical sex. Sexual orientation varies and is not dependent on gender identity.

Note. Adapted from “LGBTQI terminology,” by Green, E. R., 2014. Retrieved from: <http://www.lgbt.ucla.edu/documents/LGBTTerminology.pdf>

Appendix C

Group Project

Objective: to illustrate the principles of market segmentation and target marketing in a DMO setting.

To help you think about market segmentation and destination marketing, your team is to analyze potential sub-segments of the LGBT community for RRT and select the most appropriate sub-segment(s) for RRT.

After reviewing the case study "Richmond, Virginia is Out: A DMO case study of LGBT marketing," spend some time thinking about which sub-segment(s) RRT should market within the LGBT community. Utilize the data presented in the case study as well as your own outside research. For example, could RRT target different groups by gender/sexual orientation, age cohort, family status or by interest (e.g. festival/events and sports events)?

For this group project:

1. Create a customer profile for your proposed sub-segment based on the geographic, demographic, psychographic, and behavioral variables.
2. Find a picture to illustrate your sub-segment.
3. Create an advertisement aimed at your target.

Additionally, be prepared to answer the following questions:

1. Describe the product/service offerings that would be needed to target your selected sub-segment.
 2. Is this sub-segment substantial, measureable, accessible, and actionable?
 3. State the aim/theme, marketing channels that would be needed to reach this sub-segment.
 4. Could the product/service offerings help RVA capture both LGBT sub-segment and non-LGBT travelers? Develop strategies for both markets.
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Appendix D

Posttest Questions

5. Define the following terms: (1 point a piece)
 - a. segmentation
 - b. target market
 - c. geographic segmentation
 - d. demographic segmentation
 - e. psychographic segmentation
 - f. behavioral segmentation
6. Discuss the motivational factors of the LGBT tourist. (3 points)
7. What challenges does a DMO face when segmenting a target? (3 points)
8. What are three reasons why the LGBT tourist is attractive for DMOs? (3 points)

Appendix E

Self-Reflection Assignment

During the past few classes, we have discussed the case study, "Virginia, Richmond is Out: A DMO Case Study of LGBT Marketing." This self-reflection assignment will assess your thoughts and views on this case study. Utilize the following questions as a catalyst for your reflection:

1. Destination manager need to be constantly monitoring the external market to be aware of new trends, etc. How can destination managers do this effectively and efficiently?
2. How should a destination approach the LGBT market? Should a destination treat the LGBT market as homogeneous or with different subgroups?
3. What surprised you the most about this case study?
4. What additional tools, market research, or support would you need to continue these efforts in researching potential segments?

Your reflection should be a minimal of 500 words, which is about one-page. Please utilize Microsoft Word, Times New Roman, font size 12, and single spacing.