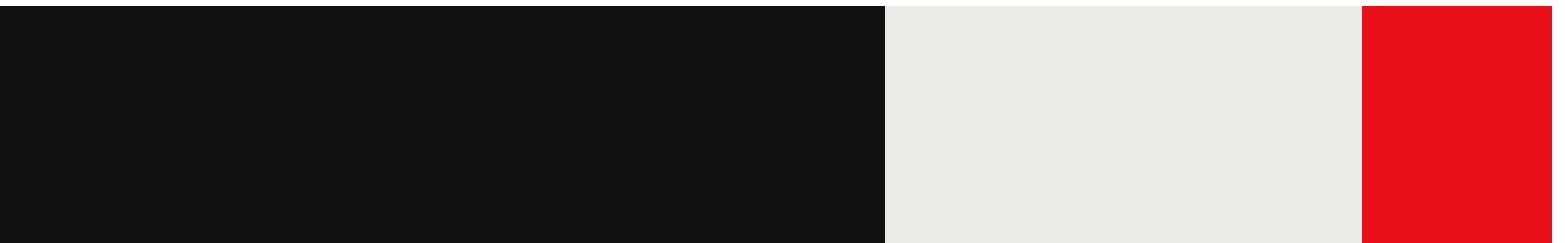


# Reimagining Retail: Pride Month—Brand wins and lessons, and what it means for other holidays

Audio



On today's podcast episode, we discuss why it felt as though fewer brands were showing their support for LGBTQ+ folks, what a brands place in Pride (or holidays) is, and which retailers

have hit the nail on the head this year. Join our analyst Sara Lebow as she hosts analysts Daniel Konstantinovic and Paola Flores-Marquez.

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Episode Transcript:

Sara Lebow (00:01):

Hello listeners. Today is Wednesday, July 3rd. Welcome to Behind the Numbers: Reimagining Retail, an eMarketer podcast. This is the show where we talk about how retail collides with every part of our lives. I'm your host, Sara Lebow. Today's episode topic is What Pride Month Lessons Mean for Other Holidays.

(00:25):

Before we get into that, let's meet today's guests. We have two analysts who have never been on the retail podcast before, so welcome. We have Danny Konstantinovic. Hi Danny.

Daniel Konstantinovic (00:37):

Hello. I'm so happy to be here. I didn't know that I was not the only one who had never been on this show before. I thought you might have.

Sara Lebow (00:44):

Well, the other one who has never been on this show before with us is Paola Flores-Marquez. Hi Pao.

Paola Flores-Marquez (00:51):

Hello. Hi. Now I'm excited. I feel like I'm collecting these Pokemon badges. I'm very proud to be here.

Sara Lebow (00:56):

No, both of you are regulars sometimes on the daily, new to the retail side, so welcome.

(01:03):

Okay, let's jump into our main topic. It is July 3rd. LGBTQ Pride Month, which was in June has just ended, which gives us a really good opportunity to talk about what brands were up to this past month. Pride Month is an opportunity for brands to show their support for LGBTQ consumers and causes, and it's also an opportunity to make blunders along the way, which we've definitely seen brands do in some recent years. This June in particular felt quieter to me on the brand front this year.

(01:35):

Danny, you wrote about this, so can you tell us what's going on?

Daniel Konstantinovic (01:39):

Yeah. I think a lot of the kind of quieter celebration, if you will, of Pride Month this year has to do with the fact that there were some major retail and marketing campaigns last year around Pride Month that generated a lot of backlash. The two big ones are Target, which had a line of LGBTQ+ merchandise that received a lot of anger from people on the right and resulted in some threats to Target stores. So they pulled it and kind of dialed back the campaign. And then the really, really big one was Bud Light, which partnered with Trans Influencer Dylan Mulvaney last year, which generated a huge backlash and Bud Light pulled it back, which people on the other side were upset that Bud Light ended up walking back the campaign. So they kind of just upset everybody and it had a really big negative effect on Bud Light sales that we're still seeing. Bud Light went from being the number one beer in America to losing out significantly to Modelo, which is owned by the same company.

Paola Flores-Marquez (01:40):

Love a Modelo, though.

Daniel Konstantinovic (02:52):

I've never been a big Modelo person or a Bud Light person, I got to be honest, but ...

Sara Lebow (02:55):

Pao, you said something interesting to me about a Harvard Business Review study on this in particular.

Paola Flores-Marquez (03:02):

Yeah. I read it while I was doing the data drop for LGBTQ+ consumers. And yeah, I think what stood out to me the most was this. So the Bud Light backlash is such an anomaly because usually when people will have these sort of protests, they die off pretty quickly and they don't have a large impact. But this one obviously has had a huge impact, and part of it according to Harvard Business Review was because Bud Light didn't fully understand the sense of psychological ownership that its consumers had on the product and how they took their actions so personally.

(03:34):

And then the other aspect was that there were a lot of options for consumers to switch to. They switched to Modelo, for example. So there was enough competition to make the protests viable in a long-term setting. So yeah, I think that's part of the reason. Well, according to them, that's part of the reason that it was much more impactful than it has been in other situations.

(03:53):

But for the record, according to Collage Group, non-LGBTQ+ consumers are far more likely to support a brand for stating that they're supporting the community than to protest it according to Collage Group. So there's that for the record.

Sara Lebow (04:05):

So it's not just LGBTQ consumers that are supporting brands that are making Pride efforts. It's all consumers potentially?

Paola Flores-Marquez (04:14):

Yeah. According to Collage group, 55% of non-LGBTQ+ consumers are more likely to start using or buy more of a brand that supports the LGBTQ+ community than they are to stop using or buying. So that's more than half, and then there's a lot of people who just don't take action. But I will say that given the history we've seen and Bud Light being the exception, it's an anomaly for it to have occurred.

Sara Lebow (04:37):

Yeah. I mean Target's definitely been a lot more quiet or was a lot more quiet this June, and I think it's because they got so much heat for the Pride collection and then they got so much heat for walking back the Pride displays. That felt like the issue to me maybe on both fronts was making a decision and then not standing by it on either way. It made all consumers unhappy.

Paola Flores-Marquez (05:04):

Yeah, I think if you're going to take this stance, you really have to commit to it. It just makes you look like a coward, and then LGBTQ+ consumers are already suspicious of brands that are trying to appeal to them, so you're just making it worse essentially.

Sara Lebow (05:17):



That suspicion is a really good point because my next question, which is the most complicated question I could ask here is what is the place of brands and retailers in Pride? I mean, is a brand releasing a Pride collection or having a Pride campaign? Is that them capitalizing on a marginalized group and finding a way to profit off of that, which to be fair is something that does happen in retail? Or is the alternative avoiding to have a display or a campaign avoiding to show support for LGBTQ consumers and staying quiet? I mean, what's the right answer here?

Daniel Konstantinovic (05:50):

I think it's a tough balance. I mean, if you're a brand, it's kind of a tough line to walk because like Paula said, consumers do tend to view brands as inherently inauthentic. There's a feeling that, oh, sure, they might be putting up the rainbow logo or whatever, but really this is about the bottom line. This is about selling merchandise or what have you.

(06:13):

But at the same time, brands do have a role to play in culture, and you could definitely argue that a brand prominently featuring Pride Month merchandise or marketing does something to normalize acceptance of queer people in society. And the same is true for running a similar campaign or effort around any holiday or period that represents a minority group.

(06:42):

So I think that there is a role for them to play, but ultimately what matters for these companies is a bottom line. And when you look at what happened with Target and with Bud Light, I think that has probably scared a lot of brands into taking the quieter approach and saying, "It looks like no matter what we do, we're going to get backlash from someone, so maybe we'll just kind of be as banal or quietly supportive as possible."

(07:09):

The downside of doing that is that consumers and especially young consumers want brands to play a larger role in activism. There is a lot of data that shows that young consumers are more likely to support brands and companies that do partake in Pride Month marketing or represent marginalized groups and they want to see this from brands.

(07:33):

At the same time, that's kind of confusing. Because if you're a brand, it's like, "Okay, well, the most desirable consumer sector wants us to do this, but at the same time, if we do this, they view us as inauthentic." And I think that that contradiction, I guess, leaves a lot of brands kind of paralyzed and taking the safest possible approach.

Paola Flores-Marquez (07:55):

Yeah. I think part of the key is to do it year round, right?

Daniel Konstantinovic (07:58):

Yeah, definitely.

Paola Flores-Marquez (07:58):

If you're going to do it, commit to it. And yeah, that's what makes it seem inauthentic that you're only just sort of paying lip service to it once a year. But I love your point about normalization. Yeah, if we are reflecting these realities on a regular basis, that is truly what our world looks like, and it just makes you feel like, okay, I'm seen.

(08:15):

Also, the history of advertising in the LGBTQ+ community is so fascinating because for a long time it had to be so subtle and it was seen as sort of a sense of approval and acceptance from these major institutions where people would otherwise be discriminated against. I did a deep dive on the Subaru history with lesbians, and it's so interesting. There were so many ads. Yeah, there's so many ads that are queer quoted and meant to be interpreted one way by straight people and interpreted another by gay people.

Sara Lebow (08:44):

I didn't realize until you sent that to me, that Subaru, if you're listening to this and you don't know what we're talking about, there's sort of a jokey connotation of Subarus with lesbians in the US. I didn't realize that that was an active advertising campaign. I thought that was sort of a later cultural perception applied onto it.

Paola Flores-Marquez (09:03):

Yeah, yeah, they were very smart. They figured out one, that lesbian was one of the five niche consumer groups that were buying Subarus in the US, and they decided to not compete for

the main group that people usually target for car sales, which is white men in the US. And so they heavily invested in speaking to this community with clever advertising, and it was sort of this partnership. And it's been incredibly successful to the point where, yeah, it's entered pop culture to a certain extent, which is fascinating.

(09:29):

But yeah, I think they've kind of built a reputation for reliability and safety amongst the community, and that's a hard place to get into nowadays for advertisers because on one hand, acceptance has grown dramatically in the last 20 years. It's still not perfect, but it's much more widespread. But that means that now everyone is facing the same sort of fear of being exploited or being only seen as a number.

Sara Lebow (09:53):

Yeah, there's this concept of rainbow washing, which we've been talking about, but I just want to call out by name. We've talked about green washing on the podcast before. That's when brands do something that they say is sustainable, but it's really just a marketing campaign. Rainbow washing is sort of the same concept, but for LGBTQ themes. So you are releasing a line of Pride shirts that say like Yas Queen on them, and then only doing that in June and not donating any money or having any sort of inclusive hiring practices or anything of the sort. That's something that we definitely see every Pride and that people are really sensitive to, rightfully so.

(10:32):

I think that this dovetails into a bigger conversation of what is a retailer or a brand's place in any holiday or time of year that is associated with a group of people. So for example, we see brands now doing Black History Month campaigns and AAPI History Month, Hispanic Heritage Month, or Lunar New Year is another time of year that we're seeing brands get in on the action. That's sort of a cynical way of putting it. I mean, these are months that it's awesome to see attention drawn to, but it also does sort of feel like a bummer when that time of year rolls around and it's time for that affinity marketing campaign. So I guess the question there is do brands have a place in these holidays?

Paola Flores-Marquez (11:16):



Yeah, I mean, I think it's inevitable. It would be weird. I guess it wouldn't be weird. You could not say anything, but you would kind of be missing out on a very lucrative opportunity, so it doesn't make sense strategically to ignore it. I think again, the point about appealing to the audience year round will build up your credibility when the time comes to do something extra for that month.

(11:36):

I think the other key is also to hire people within that community and demonstrate actual investments so that you're not just paying lip service. And I know part of the problem, and we had this conversation when we were talking about the Black consumers report that we put out in June where it's like, yes, people should be hiring Black creatives, but also there might not be enough Black creatives to hire for everyone to have the most authentic campaign possible. But there are creative agencies that can fill that gap that actually have a lot of those viewpoints and can be informed and make sure that you're actively reaching out and authentically reaching out.

(12:10):

So no, I don't think, it's probably not the smartest thing for people to ignore it unless it's like you really have nothing to do or nothing to add, or it's not something that's within your wheelhouse. But I think the point is to do it respectfully and authentically and not just tokenly.

(12:25):

And honestly, I know it's been quiet this year, but I kind of like that the Pride merch has been quiet this year because I don't know, it does feel like pandering sometimes when the Yas Queen is like-

Sara Lebow (12:36):

Well, that's the thing, is-

Paola Flores-Marquez (12:37):

You don't know what that means. You don't know where it comes from.

Sara Lebow (12:39):

There's another side to this conversation where it's like a lot of the merch, the products are tacky. They're just not good. There's plenty of cool products that we see put out there and put out there, especially by brands that are LGBTQ founded, but then there's plenty of products that we see put out that are tacky.

Paola Flores-Marquez (13:03):

Dude, I know.

Sara Lebow (13:04):

I wonder if people would be more defensive of it if it weren't awful, if it were stuff that people wanted to buy.

(13:13):

At the same time, I don't know, I guess it's like brands have a right to be tacky. That's something that we'll keep seeing forever.

Paola Flores-Marquez (13:22):

Somebody's very supportive mom out there is buying that merch.

Daniel Konstantinovic (13:25):

Yeah. That's something I was going to say, is something people say about running Pride merch campaigns is like, "Oh, well, gay people buy T-shirts." But also it's not just that gay people buy T-shirts. It's that people have queer kids or queer friends or whatever, and they are in society and what's in the market should reflect that. But yeah, I mean a lot of the merchandise is really bad.

Paola Flores-Marquez (13:50):

I think what you've mentioned is also really important. We really cannot underestimate the power of allyship in the gay community. The LGBTQ+ community is small, but the number of allies that they have is immense. And so when you piss them off, you're pissing off everyone else around them. So I think that's also an important thing to keep in mind when committing to these campaigns.

Daniel Konstantinovic (14:10):

Yeah. Maybe, I mean, it shows that these brands are not very in touch with this consumer group perhaps, and yeah, I don't know, maybe they should partner with creators or other brands that have a little bit of a better sense of what people actually want to buy and where.

Sara Lebow (14:29):

Yeah. I want to move into that, what can brands do well thing because we talked about what they can do poorly. Did any brands this June do Pride Month particularly well?

Paola Flores-Marquez (14:42):

We tried. We tried to find some. We really did a lot of research-

Daniel Konstantinovic (14:45):

I was waiting for someone else to go first. I don't know.

Paola Flores-Marquez (14:50):

The only one that I could think of that I think struck me in particular was NBC, right? Because it can't be 2024 Pride without mentioning Chappell Roan and her super mega rise to stardom. So NBC having her on at the height of Pride on this major TV show was very, very wonderful, especially because I speak to a lot of straight people and they have no idea who Chappell Roan is.

Sara Lebow (15:13):

Yeah. If you're not tuned into NBC, Chappell Roan is a young queer pop singer who's huge right now.

Paola Flores-Marquez (15:19):

Yeah. And she's been in queer communities for the last three years, and she has a lot of the drag queens opening up her sets and is very plugged in. And so I think it demonstrates NBC's awareness of what's going on in that community to an extent that a lot of other retailers, as we just discussed, extensively are not doing. And I think they've also, beyond that, because that could just be rainbow washing as well, NBC just signed a multi-year partnership with Pride Live, which is a nonprofit that donates extensively to social advocacy campaigns and groups, and it puts the money back in the community. So they are sort of investing as well actively.

Sara Lebow (15:59):

Yeah. I mean, outside of that, some retailers to call out the Trevor Project is working with Abercrombie and Fitch, OPI, Kate Spade, Lululemon, and Macy's on Pride campaigns. Macy's in particular, that's a years long partnership, and American Eagle put out a gender-neutral clothing collection that's available year round. That is a way of branding a lot of the clothes that American Eagle kind of already puts out in a new way that maybe gets a new consumer. But that's fine. That's what marketing is.

Daniel Konstantinovic (16:27):

Yeah. I mean, all the relative silence around Pride Month marketing this year, there's just not really a conversation happening in the same way there was last year. And that void is one that a brand that really wants to take a stand and show that it's going to support this group, that's a void for someone like that to slide in and make the conversation happen. But I guess it's a risk that some brands just aren't willing to take because I don't know, maybe Natty Light needs to come out and say, "We support gay rights and we don't care if you stop drinking Natty Light."

Paola Flores-Marquez (17:05):

Yeah. I felt so conflicted reading that Bud Light Harvard Business Review article because I think that they made a very moral and ethical decision to make that stance, but strategically, they didn't fully understand their consumer audience and that it was just strategically a bad move.

Daniel Konstantinovic (17:20):

Yeah.

Paola Flores-Marquez (17:21):

I think you have to be careful. I mean, obviously be aware of you're, at the end of the day, yes, consumers do expect or want, especially younger consumers do want brands to take a stance, but they're also, I think if you're neutral on it, then don't make a stance on it. It's not going to negatively affect you as much as you would if you commit and then back off. Right? That's going to be worse.

Daniel Konstantinovic (17:41):

Yes.

Sara Lebow (17:41):

And for anything, if your marketing messaging is completely inconsistent with all of your previous marketing messaging, no matter what direction it's going, it's not going to work, which I think is a good argument for having consistent equitable marketing messaging, but also shows that that is probably what was so jarring about the Bud Light campaign.

(17:59):

Wrapping this up, can you guys each tell me the biggest lesson, biggest takeaway from retailers and brands marketing this Pride Month? Pao, you go first.

Paola Flores-Marquez (18:08):

I think I've repeated it multiple times, but yeah, I think be bold. If you're going to do it, defend yourself, defend the people that you've stated you're going to defend, follow through, because we're talking about a population that continues to be very vulnerable, and so you backing off of that and pulling that support is harmful and it has actual real-world consequences. Right?

(18:31):

I love Daniel's point about normalization. I think it's really, really important for advertising to reflect the world in which we live in, and I do think it creates a sense of acceptance. And so I think actively displaying it is a positive thing for the world, and I think that you hurt people by pulling it.

Sara Lebow (18:46):

Dani, what's your lesson?

Daniel Konstantinovic (18:48):

Yeah, I mean, I agree with everything that you just said. I think another facet of it that will help you if you're a brand, avoid intense backlash or confusion around, oh my gosh, some people are upset about this, what do we do, is making sure there are people who are part of these marginalized groups in the room when these decisions are being made.

(19:10):

That is not a quick fix solution. It's one that requires a lot of deliberate action within these companies in order to make sure that there are people at that level who are actually in touch with what's going on. But I mean, if you're just making decisions based on what the vibe is generally, and you'll swing back in the other direction, depending on the negative response or positive response, you're just wading into a really bad situation that you're unprepared for. And if you give these people the representation at a higher level of, I don't know, employment that they deserve to have, you could have these kinds of fiascos.

Paola Flores-Marquez (19:53):

I was also going to mention it's like truly understand where the audience you're speaking to is located, because support on the West Coast looks very different than support in other parts of the country. And so, I don't know, just be aware of who you're reaching out to, not because you shouldn't. You should. But because I think that people in more rural areas are much more marginalized, and so you may need to find ways to both acknowledge the fact that they need more help or they need more support and be stronger in it, or find ways to reach them that doesn't put them at risk.

Sara Lebow (20:24):

Okay. That's a really interesting point. Thank you for sharing that. Thank you both for being here and making your Reimagining Retail debut. Thank you, Pao.

Paola Flores-Marquez (20:32):

Thank you so much, and I feel so special.

Sara Lebow (20:34):

And thank you, Danny.

Daniel Konstantinovic (20:35):

Thank you. Yeah, it was fun.

Sara Lebow (20:36):

Thank you to our listeners and to Victoria who edits the podcast and always makes us proud. We'll be back next Wednesday with another episode of Reimagining Retail, an eMarketer



podcast. We'll be off tomorrow and Friday for the holiday, but we'll see you back with another episode of the Behind the Numbers Daily on Monday.