



## MFHA “Decade of Diversity” Conference—Customer Marketing Workshop

### **Kimpton Hotels Case Study Outreach to the GLBT (Gay, Lesbian, Bisexual, Transgender) Market**

#### **Why the GLBT market?**

- Kimpton Hotels & Restaurants manages and operates a collection of more than 40 nationwide boutique hotels and chef driven restaurants
- Company was founded in 1981, during the beginning of the HIV/AIDS epidemic
- Based in San Francisco, one of the most progressive cities in the US
- Progressive and innovative company with fun and unique programs (Pet program, Kimpton InTouch, Women InTouch, Wines of the World, Style Catalogue, Kimpton Cares, etc.)
- Opportunity to reach out to the GLBT market and become the hospitality leader in this segment, which represent \$52 billion in annual spending dollars
  - Largely made up of DINKs (Dual Income – No Kids)
  - Higher Discretionary Income (not higher income)
  - 62% are in relationships
  - The average couple took 6 trips in the last year (4 short/weekend and 2 longer vacations)
  - 80% hold passports
  - Average 15 hotel nights per year

#### **The Task:**

- Continue innovation by becoming the hospitality leader for the GLBT market
- Tap into the GLBT community and gain guest loyalty without impacting other market segments in a negative way

#### **The Approach:**

- **Learn It.** Identify and understand the targeted demographics
- **Live It.** Prepare for the launch both internally and externally
- **Work It!** Launch the first ever GLBT specific advertising campaign (Business FUNction—We’re Out To Get To Know You Better) and travel program

### **The Activities: Learn It.**

- Hired experts in the field to develop outreach strategy and to help Kimpton understand the demographics
- Why GLBT is a good fit for Kimpton
  - DINKS are more likely to travel for business
  - GLBT is more design aware – and Kimpton Hotels are on the forefront of design
  - High percentage in professional and creative careers
  - Tends to favor urban destinations and upscale resort towns, which tend to be gay-friendly

### **The Activities: Live It.**

- Get executives on Board
- Gay-friendly environment
  - Diversity embraced at Kimpton
  - Welcoming policies and procedures
  - Sensitivity training (from managerial to front line)
- Create Kimpton's Gay Lesbian Employee Network (K-GLEN) to promote GLBT initiative efforts internally
- Prepare for any backlash

### **The Activities: Work It!**

- Launch of GLBT travel program with a nationwide PR campaign
- Targeted advertising in national gay publications (The Advocate, Passport, Girlfriends, etc.)
- Charitable contributions (Nationwide Red Ribbon campaign, partnerships with the National AIDS Fund and the Richmond Ermet AIDS Foundation)
- Hotel Promotions (pride and honeymoon packages and GLBT loyalty rate)
- Sponsorships: Human Rights Campaign (HRC), Parents, Families, and Friends of Lesbians and Gays (PFLAG), National Gay and Lesbian Journalist Association (NGLJA), Richmond Ermet AIDS Foundation (REAF), National Gay and Lesbian Chamber of Commerce (NGLCC), Out and Equal

### **The Results:**

- Kimpton is the first hotel company to receive a 100% HRC rating (last three years)
- Named one of the top companies for GLBT employees to work for by The Advocate and Girlfriends magazines
- Finalist in the 2005 Out & Equal Workplace Awards
- Successful loyalty program. Over 6,000 new members in the first year.
- Nationwide press hits (NY Times, major dailies, all industry trade magazines, GLBT-specific publications)
- Approximately 5% of the overall 10% increase in year to year sales and occupancy is attributed to the GLBT campaign

# Kimpton Hotels and the Gay & Lesbian Community

## **KIMPTON VICE-PRESIDENT, ANDREW FREEMAN, LEADS THE EFFORT TO BE GAY-FRIENDLY**

**By Barbara Reynolds**

Over the last decade, many segments of the travel industry have integrated the GLBT market, notably airlines, car rental companies, tour operators and visitors' bureaus. The hospitality industry, however, has been slower to rise to the opportunity, but a few companies are making the climb. The clear industry leader has been Kimpton Hotels and Restaurants. San Francisco-based and known for its collection of stylish boutique hotels, Kimpton has long been a gay-friendly company. For many years, it has offered progressive personnel policies for its GLBT employees, and the company more recently launched a nationwide GLBT marketing program that includes all of its 39 hotels and restaurants.

Spearheading that program is Kimpton's Vice President of Public Relations and Strategic Partnerships, Andrew Freeman, an openly gay executive who has found at Kimpton not only acceptance but also appreciation for who he is, professionally and personally. "Kimpton celebrates my uniqueness," said Freeman. "I grew up in New York where I began my career in 'straight America,' and I never experienced the openness that I have found at Kimpton. My colleagues would talk about their weekends, but I didn't feel comfortable talking about my personal life. You have to be brave to come out, not knowing how it will affect your career. At Kimpton, you don't have to worry about that—it just doesn't matter." Celebrating individuality is one of Kimpton's core values. "Kimpton has a history of being a very caring company and is a role model for other companies," said Freeman. "GLBT employees are represented at every level of the company, including upper management. This is what normal should be."

### **BECOMING GAY-FRIENDLY**

Comfortable being openly gay and with solid support from Kimpton leadership, Freeman developed a GLBT marketing program that seemed a natural extension of the company's diversity initiative. "Andrew's passion has inspired the entire company to get behind the GLBT marketing campaign," said Niki Leondakis, Chief Operating Officer of Kimpton Hotels and Restaurants. "At Kimpton, we strive to focus on the needs of our diverse employees and customers in a more personalized way. To do this, we formed employee advisory councils to support our diversity efforts.

One such council is K-GLEN (Kimpton-Gay Lesbian Employee Network), which provides us with firsthand input on the specific benefits, amenities and services we need to better serve our employees and guests. It became obvious that many in the hospitality business were either overlooking the GLBT market or addressing it through ineffective marketing strategies." After assessing the company and its relationship to the GLBT market, Kimpton determined that it already served many GLBT guests and its hotels are located in urban areas with a higher percentage of GLBT populations. In addition, the hotels have always emphasized unique style and are enhanced by chef-driven restaurants.

These elements make the hotels very appealing and high profile in their communities and with the GLBT community. "We offer exactly what the GLBT traveler is looking for in a hotel or restaurant – unique style, flavor and fun," said Freeman. "It's a great match, a lot of companies just try to grab a share of the business by parading a rainbow flag, but we are making an investment and effort to say to this market publicly that not only do we appreciate who you are as individuals but we also truly welcome your individuality in our businesses." Internally, Kimpton provides staff training on key GLBT issues such as-- HIV workplace practices and awareness or front desk agent instruction on how to treat two same-sex guests.

Kimpton also makes sure that the concierge desks are equipped with current gay and lesbian magazines and neighborhood guides. "When a gay or lesbian traveler visits a hotel, there is a lot of sensitivity or fearfulness around asking for something. Then you finally do get up the nerve to ask, and they either give you something that is 3 or 4 years old or they don't have anything," said Freeman. "At Kimpton, we have a lot of sensitivity training – a tool kit of sorts – so that we can embrace these guests." For the last two years, Kimpton has offered Pride and Romance packages, which welcome guests into the hotels for Pride celebrations from around the country, offering special rates and weekend packages. Nearly every major city organizes a Pride celebration, and Kimpton hotels are in many of these cities, some located on the parade routes.

Currently, Kimpton is offering Pride and Romance packages at 24 hotels in 14 cities. In addition, Kimpton actively outreaches to the community through advertising in gay and lesbian travel and consumer magazines, Internet advertising and community sponsorships. "The results have been amazing," said Freeman. "Guests are thankful and appreciative. However, when we first rolled out the program, it was not without some controversy. Some hate groups targeted us and it was tough at times. But we stuck to our guns, and we made it through; our leadership was amazing with support. The response and results from employees and guests has been incredible." Based on the success to date, the company is preparing to launch the next phase of the campaign, called "We're out to know you better," expected to hit in early fall.

### **CHARITY WORKS**

In 2003, Kimpton partnered with the National AIDS Fund (NAF), which is now a key component of the Kimpton Cares program. Across the country, Hotel Monacos launched the "Red Ribbon Campaign," a fundraising effort for NAF that focused on AIDS awareness and education. For a two-month period, the program offered guests the chance to book a Red Ribbon reservation, and, in turn, the company would donate a portion of its proceeds to the fund.

The campaign met with great success and appreciation from GLBT guests as well as the public at large, providing a new awareness of the market support. "The thanks we received were truly gratifying," said Freeman. "The level of support told us that we were on to something and we had good market share." In 2004, the Red Ribbon Campaign went national to include all Kimpton properties, and in 2005, Kimpton has made a commitment to raise a minimum of \$25,000 during its yearlong campaign. Kimpton will also host nationwide fundraising events at ten of its hotels on December 1, 2005 -- World AIDS Day, as well as provide company-wide HIV/AIDS awareness and workplace sensitivity training for all employees, including management.

### **K-GLEN**

One of the unique features of Kimpton's GLBT outreach efforts is the role of K-GLEN (Kimpton-Gay Lesbian Employee Network). Beyond his executive role at Kimpton, Freeman devotes his time and energy to leading K-GLEN, comprising 20 members countrywide, one-third of which are not gay or lesbian. "We heard from the GLBT employees that they wanted to get involved, to be part of a program that would not only reach out to the community for greater business opportunities but also provide a means for them to feel good about themselves and positively impact the employee base, the guest base and the suppliers," said Freeman. "This is not a promotion – this is for life." K-GLEN coordinates all aspects of the GLBT outreach efforts, from expanding the NAF Red Ribbon Campaign to adding more employee training and increasing local community involvement.

### **THE GAY & LESBIAN COMMUNITY RESPONDS**

The response from the gay and lesbian community has been amazing. After tracking the bookings, Kimpton attributed 2 to 3 percent of the company's 10 percent annual occupancy increase to the gay and lesbian population, according to Freeman. In addition, Kimpton has received an amazing number of awards over the last year. In 2005, Kimpton was the first hospitality company to receive a 100 percent

score on the Corporate Equality Index from the Human Rights Campaign, an advocacy organization that monitors levels of employee support and involvement. As well, *The Advocate Magazine* selected Kimpton as one of the ten best places to work in the USA for GLBT employees. Most recently, both Freeman and Kimpton have been selected as finalists for the 2005 Out & Equal Workplace Awards for workplace excellence, an honor reserved for only a few companies across the country.

Like the banyan tree (a favorite of the company's late founder, Bill Kimpton) that spreads its branches, forming an infinite family of new trees, Kimpton reaches out to its employees, guests and communities with open arms, welcoming, appreciating, celebrating and connecting with each individual as a member of its family.