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Culture wars test corporate America's commitment to Pride month

Advocates urge continued support of LGBT+ rights despite boycotts of brands such as Target and Bud Light



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Taylor Nicole Rogers in New York JUNE 1 2023

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Pride month has become a fixture in US marketing calendars, as June presents companies with an opportunity to signal to employees and consumers that they value diversity over discrimination.

That has changed this year, with a bitter culture war over the rights of gay and transgender people turning a routine branding opportunity into a fraught and costly test of companies' commitments.

More than a year after Disney became embroiled in a [feud](#) with Florida governor [Ron DeSantis](#) over Republican legislation limiting what schools may teach on sexual orientation and gender identity, other brands are finding themselves the focus of conservative ire for expressing support for the LGBTQ community.

Boycotts of Target and [Anheuser-Busch InBev's Bud Light](#) brand have cost the retailer and brewer billions of dollars of market value in recent weeks, and the hostilities have not been confined to social media. AB InBev warned of threats to its facilities while Target said "confrontational behaviour" had left staff feeling unsafe.

"There's been a long history of boycotts from the conservative rightwing, but the really big change has been the escalation of violence with these more recent campaigns," said Katherine Sender, a communications professor at Cornell University who also studies gender and sexuality. "[Companies] are really trying to protect people who are just trying to do their jobs in a local company."

The growing vitriol over long-running LGBTQ affirming advertisements and merchandise has stunned marketers. US companies have increasingly embraced marginalised groups' cultural events, from Ramadan to Black History Month, in an attempt to diversify their employee and customer bases.

Big retailers including Target, Walmart and H&M have sold rainbow merchandise for roughly a decade with little pushback. Since the early 2000s, executives have feared accusations of "rainbow washing" their brands to profit from Pride celebrations far more than boycotts from rightwing groups, according to Sender.

But this dynamic has shifted as bans of gender-affirming care and drag shows have become central talking points for Republican lawmakers.

This year, a number of states including Florida and Tennessee passed 491 bills rated as anti-LGBTQ by the American Civil Liberties Union, a record. The measures have ranged from restrictions on discussion of LGBTQ topics in public schools to bans on transgender students from playing on sports teams consistent with their gender identity.

As Republican politicians and pundits turn LGBTQ rights into a potent wedge issue with their voters, they have stirred up passions among conservatives that have spilled over into the consumer world.

Sales of Bud Light plunged for six consecutive weeks after a collaboration with the transgender TikTok personality and actress Dylan Mulvaney in April sparked a boycott from conservatives.

AB InBev ended the partnership and two executives behind it took a leave of absence. In the week ending May 20, sales of Bud Light were down 24.3 per cent year on year, according to Nielsen, while AB InBev shares are down 19 per cent since the Mulvaney promotion.

Some Target stores were vandalised after viral videos circulated on social media, falsely claiming that it sold child-sized “tuck friendly” swimwear designed to help transgender people hide their genitals.

The retailer said it would relocate its Pride displays to the back of some stores and remove some items altogether, only to be met with a backlash from LGBTQ advocates and a 9 per cent slide in its shares over a week.

“As an LGBTQ community, we’re really disappointed in Anheuser-Busch and Target because they have had a long history of partnering with our community yet here they are being tested for the first time and they’re backing down,” said Sarah Kate Ellis, chief executive of advocacy group GLAAD.

NYC Pride, the organiser of Pride events in New York, [said](#) it was “troubled” that Target, one of its longstanding partners, “conceded to bad actors, setting a worrisome precedent”.

Conservative activists are calling for other brands to be “Bud Lighted” for their Pride promotions, including Nike, Kohl’s, The North Face and Chick-fil-A.

“The goal is to make ‘pride’ toxic for brands,” conservative commentator Matt Walsh wrote on Twitter last week. “If they decide to shove this garbage in our face, they should know that they’ll pay a price.”

There is some evidence of companies avoiding a subject they had once embraced, with data provider AlphaSense/Sentieo finding that executives are mentioning the words “LGBT” and “LGBTQ” less often on earnings calls this year.

But LGBTQ advocates have urged companies not to deviate from their Pride commitments over what Brian Bond, the executive director of LGBTQ advocacy group PFLAG, called a “co-ordinated attack” by “a very small vocal group of zealots on the wrong side of history”.

Disney, which has been more exposed to anti-LGBT backlash than any other big US company over the past year, is among those sticking to its plans. Despite the controversy which led it to [sue DeSantis](#) in April, Disney World in Orlando will again host what are unofficially known as “[Gay Days](#)”, fan-driven events that have taken place in the park for more than 30 years.

Visitors will be able to purchase clothing, pins and accessories from Disney’s Pride Collection, which was launched by “members and allies of the LGBTQIA+ community” in 2018. The company’s Florida resort will also host the “Out and Equal Workplace Summit” later this year.

Brands from Ugg, the apparel line, to Mars Wrigley’s rainbow-coloured candy Skittles have gone ahead with Pride campaigns, while organisations from Deloitte to Major League Baseball issued Pride month messages on social media, much as in previous years.

Other companies cited their employees as the main reason for maintaining their support. Mike Parra, the Miami-based chief executive of DHL’s Americas business, said it would not pull back any of its planned Pride sponsorships because of the backlash. DHL sponsored a rainbow-flagged “DHL Delivered with Pride” race car at the Indy 500 this past Sunday.

“When you’re a company like ours, that is extremely diverse with many employees in so many countries across the world, people need to know that their voice can be heard and that they have a sense of belonging and inclusion,” Parra said.

Americus Reed, a professor of marketing at the University of Pennsylvania's Wharton business school, said that US companies were unlikely at this stage to scrap Pride campaigns and merchandise lines they planned months ago.

But future rollouts of products and advertisements targeting LGBTQ communities might be smaller, limited to progressive geographies, and subject to much more extensive audience testing, he added.

"I don't think any marketer worth his or her salt would look at Target or Bud Light and say 'I'm just ignoring it'," Reed said. "This is going to have an impact."

Additional reporting by Andrew Edgecliffe-Johnson and Christopher Grimes

Letter in response to this report:

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