Gay and lesbian customers’ perceived discrimination and identity management

Heejung Ro⁎, Eric D. Olson

⁎ Corresponding author.
E-mail addresses: Heejung.Ro@ucf.edu (H. Ro), olsoned@iastate.edu (E.D. Olson).

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Abstract

This research focuses on how gay and lesbian customers perceive potentially discriminatory attitudes and behaviors of service employees in the hospitality setting. Based on 143 gay men and 154 lesbian women participants, the results show that perceived discrimination at the group level is significantly higher than at the personal level. Two identity management strategies are identified: passing strategy involves customers avoiding personal questions and trying to appear heterosexual, while revealing strategy involves customers disclosing their sexual orientation and confronting negative gay and lesbian stereotypes. Gender differences are found in both perceived discrimination and identity management strategy. Lesbian women are found to have higher perceived discrimination than gay men, and they are more likely to engage in revealing strategy than gay men. The findings of this research contribute to hospitality research by confirming the personal/group discrimination discrepancy, identifying two identity management strategies, and documenting gay men and lesbian women differences.

1. Introduction

During interpersonal service encounters, the service provider’s prejudiced attitudes toward minority customers can manifest via forms of discrimination (Crockett et al., 2003). Customer discrimination refers to differential treatment based on perceived group-level traits, such as ethnicity, gender, age, and sexual orientation that produces unfavorable outcomes (Chung-Herrera et al., 2010; Walsh, 2009). Title II of the Civil Rights Act of 1964 prohibits discrimination in places of public accommodation, and many hospitality businesses fall under this category. Although blatant discrimination (e.g., denying service) may be less likely in the public commercial setting, such as hotels and restaurants, due to legal ramifications, subtle forms of interpersonal discrimination (e.g., avoiding eye contact, increasing rudeness) are more likely to occur (Harris et al., 2005; Hebl et al., 2002). Service employees may show less interest, terminate interactions sooner, and demonstrate less positivity but more rudeness toward gay and lesbian customers than heterosexual customers (Singletary and Hebl, 2009). When customers experience interpersonal discrimination from employees, their behavioral intentions of returning or recommending a company to others are reduced, and they spend less than originally intended (King et al., 2006; Poria, 2006).

Discrimination has been studied extensively in social psychology; however, extant research on customer discrimination in hospitality services has predominantly focused on inequitable treatment of racial minority customers (e.g., Baker, Meyer, & Hohnson, 2008; Brewster, 2013; Brewster and Brauer, 2017). Although there is a stream of research that has examined gay and lesbian consumers’ buying behaviors and marketing strategies for targeting them (e.g., Peñaloza, 1996; Tuten, 2005; Um, 2012), research on their service experiences is scant (Ro and Olson, 2014). Lesbian, Gay, Bisexual, and Transgender (LGBT) customers have emerged as an important segment in the hospitality and tourism industry due to their high buying power (e.g., Glusac, 2018; Green, 2016), and businesses have shown a mixed level of responsiveness to them. On the one hand, some hospitality companies exhibit a greater interest in engaging in affirmative actions and LGBT friendly practices (e.g., supporting LGBT rights, sponsoring LGBT events, LGBT inclusive advertisements). On the other hand, differential treatment including service denial, ignorance, and hostility are still prevalent, as study results and incidents reported in the media indicate that gay and lesbian customers continue to experience discrimination in service settings (e.g., Burns and Ross, 2011; Curry and Kleiner, 2005; Harris et al., 2005; Howerton et al., 2012; Jones, 1996; Walsh, 2009; Walters and Moore, 2002). Although the evidences of customer discrimination have been widely reported, the gay and lesbian customers’ perspective of discriminatory service experience remains an under-investigated...
area in hospitality research.

The lack of research in this area may come from two reasons. First, most discriminatory experiences by service employees may occur in subtle and informal ways; therefore, such interpersonal discriminations are difficult to recognize. Service employees’ prejudice may be expressed through seemingly meaningless and non-hostile tactics, such as, snubs, dismissive looks, gestures, and tones to deliver a hidden demeaning, hostile or negative message about a person or group (Sue et al., 2007). Gay and lesbian customers may doubt whether a particular negative experience was discriminatory (Ruggiero and Taylor, 1997). Second, gay and lesbian customers may use a coping mechanism that lowers the visibility of discrimination. Homosexuality differs from other social stigmas in that it is concealable (Herek et al., 2009), and gay and lesbian customers may engage in identity management to avoid social rejection and negative attitudes from others (Chung, 2001).

Despite social progress that has been made toward sexual minorities in the past decades (Fetner, 2016; Pew Research Center, 2017), interpersonal discrimination is still pervasive in service encounters and gay and lesbian customers are often victims of such discrimination. Past research has acknowledged the occurrences of discrimination in service encounters, yet there is little research on gay and lesbian customers’ perceptions of interpersonal discrimination in the service context. To fill the gap, this research aims to investigate the following three research questions:

1. How do gay and lesbian customers perceive discriminatory service experience by service employees towards themselves personally as compared to the whole group?
2. What identity management strategies do gay and lesbian customers use during interactions with service employees?
3. Are there differences between gay customers and lesbian customers in perceiving customer discrimination and engaging in identity management?

Discriminatory experiences from service employees raise not just ethical but also reputational issues for companies because perceived discrimination during service encounters can degrade customer service experiences and prompt customer defection and negative word-of-mouth (Walsh and Hammers, 2017). According to a recent survey, 63% of LGBT allies and 48% of Americans report that they would avoid buying products or services from a brand/business they know discriminates against the LGBT community (Ogilvy, 2017). Thus, gaining insight into gay and lesbian customers’ perceptions of interpersonal discrimination is important for both researchers and practitioners. For researchers, this research intends to increase the awareness of customer discrimination in the context of gay and lesbian customers’ hospitality service experiences, and the findings of this research can be of value to researchers investigating minority customers’ perceptions of negative service experiences. By investigating perceived service discrimination and identity management strategies of gay and lesbian customers, this study can contribute to minority or disadvantaged consumer behaviors in hospitality services marketing research. For practitioners, knowledge of gay and lesbian customers’ perceived discrimination and their interaction strategies can improve hospitality firms’ ability to reduce discriminatory services. Hospitality employees who are aware of their customers’ perceptions of discrimination will be able to serve them better by eliminating potentially discriminatory cues. Furthermore, hospitality firms can develop practices to avoid interpersonal service discrimination and deliver high quality services, ultimately yielding satisfaction and loyalty from gay and lesbian customers.

2. Literature review

2.1. LGBT segment in hospitality and tourism

The size of the LGBT population is estimated to be up to 7% in the United States and the total annual purchasing power of this segment is estimated to be nearly $1 trillion (Green, 2016). These numbers are likely to increase with the advancement of LGBT rights which drive this segment forward in terms of recognition, size, and visibility. The recent UNWTO report indicates that the growth of the LGBT tourism is explained by not only economic benefits to a tourism destination, but also social benefits, such as tolerance and respect (World Tourism Organization, 2017). The growing importance of the LGBT segment in the tourism and hospitality industry has drawn attention from researchers. Focusing on tourism motivations and activities, previous studies suggest that gay men travel in search of their identity to meet and socialize with other gay men and escape from social constraints (e.g., Cliff and Forrest, 1999; Holcomb and Luongo, 1996; Hughes, 1997, 2002; Vorobjovs-Pinta and Hardy, 2016). Other studies focus on gay and lesbian customers’ service experiences in the hospitality industry (e.g., Poria, 2006; Ro et al., 2013) and a small stream of research continuously reports on the discrimination issues in the hospitality service contexts (e.g., Jones, 1996; Laffin, 1999; Howerton et al., 2012). According to the UNWTO report, one in three of the LGBT travelers feel they are treated differently due to their sexuality when on holiday (World Tourism Organization, 2017). Furthermore, over 70% of sexual minority respondents indicate that a hotel company’s non-discrimination policies relating to sexual orientation and gender identity are important for their booking and joining loyalty programs intentions (Community Marketing and Insights, 2018). Apparently, the growth of the LGBT segment demands a better understanding of the discrimination issues in the tourism and hospitality industry.

2.2. Discrimination

Why does discrimination occur? Social identity theory (Tajfel and Turner, 1986) provides insight into why marketplace discrimination occurs (Walsh, 2009). Social identity consists of salient group classifications, usually based on observable traits such as gender, race, or demographic categories but can also include other factors such as religion, physical ability, and sexual orientation (Walsh, 2009). An important aspect of social identity theory is the process of self-categorization that leads to identification with the in-group and also can trigger stereotyping of the out-group, and this stereotyping is a major contributor to discriminatory practices (Chung-Herrera et al., 2010). Individuals (e.g., heterosexual service employees) are alert to out-group members (e.g., gay and lesbian customers) and evaluate out-group members of different categories more negatively than in-group members of the same category as one’s self (Walsh, 2009). This process results in discriminatory treatment of gay and lesbian minority customers in interpersonal service encounters.

Discrimination is commonly conceptualized in two forms. According to Van Laer and Janssens (2011), blatant discrimination is overt, intentional, and relatively easy to recognize as discrimination and can be challenged on legal grounds. On the other hand, subtle discrimination is “the forms of discrimination that pervade society, are less visible, often are very ambiguous for those experiencing it, not easily recognized as discrimination and often not punishable under anti-discrimination legislation” (Van Laer and Janssens, 2011, p. 1205). Similarly, in organizational settings, formal discrimination relates to institutional decisions such as hiring, promotions, access, and resource distribution, and this type of discrimination is often illegal in many states. Informal or interpersonal discrimination is more subtle; it involves the nonverbal, verbal, and paraverbal communications and behaviors that occur in social interactions, and there are no laws against this type of discrimination (Hebl et al., 2002). Through subtle bias, environmental means, micro-aggressions communicate that marginalized groups are not welcome (Shelton and Delgado-Romero, 2011). Researchers suggest that continuing exposure to subtle bias can be more stressful than blatant prejudice (Salvatore and Shelton, 2007). How is discrimination perceived? When a consumer experiences a
negative event, he/she comes to some conclusion as to why the event occurred by assigning the blame (Harris et al., 2005). Attributional ambiguity refers to doubt formed by an individual when a negative event occurred, whether it occurred because of his/her personal inadequacies or of the other person discriminating (Crocker and Major, 1989). This attributional ambiguity can be experienced by almost anyone but is more likely to occur among those who are members of chronically stigmatized groups (Major and Crocker, 1993; Ruggiero and Taylor, 1997). Furthermore, researchers suggest that minority individuals perceive discrimination differently to protect self-esteem. Two streams of research suggest opposite patterns about how sexual minority group members may perceive discrimination.

One perspective suggests that minorities have heightened suspicion about discrimination and tend to attribute negative interactions to discrimination in uncertain situations (Crocker & Major, 1989). Attribution of discrimination occurs when a person involved in a negative event blames the event on social identity (group membership), and it may be accentuated in a service context due to inherent ambiguity associated with service provision (Baker et al., 2008). Also, individuals with high stigma-consciousness are vigilant for prejudice related cues and interpret ambiguous bias as discrimination (Pinel, 2004; Wang et al., 2012). Therefore, minority group members are more likely to attribute negative interactions to discrimination and making this external attribution allows them to protect their self-esteem (Chung-Herrera et al., 2010; Crocker and Major, 1989).

An alternative perspective posits that minorities tend to deny or minimize their personal experience with discrimination as a means of defending themselves against it (Allport, 1954; Taylor et al., 1990). Crosby (1982) suggests that minority group members may deny their personal experience with discrimination to avoid possible subsequent retaliation against them. Hebl et al (2002) also show that chronically stigmatized individuals are likely to disregard or attenuate to the experience of personal discrimination. By minimizing perceived discrimination, minority individuals protect their social state self-esteem and maintain the perception of control in the interpersonal social contexts (Ruggiero and Taylor, 1997). According to this perspective, minority group members are less likely to use discrimination as an explanation for negative interactions as a self-esteem building function (Ruggiero and Taylor, 1997; Taylor et al., 1990).

The minimization perspective further suggests that members of stigmatized groups may deny that prejudice affects them personally yet concede that their group is a target of prejudice (Crosby, 1982). This psychological phenomenon is labeled as the personal/group discrimination discrepancy (Taylor et al., 1990) and has been observed in various stigmatized minority groups (Bourguignon et al., 2006; Taylor et al., 1994) and in both blatant and subtle forms of discrimination (Lindsey et al., 2015). Across studies, minority individuals consistently rate discrimination directed at their group as a whole substantially higher than discrimination aimed at themselves, personally, as members of that group, therefore creating a discrepancy in discrimination perceptions between personal and group levels (Bourguignon et al., 2006; Crosby, 1982). The personal/group discrimination discrepancy allows minority individuals to acknowledge bias against their social category but preserve a sense of personal control and security for oneself (Operario and Fiske, 2001).

While the two perspectives of perceived discrimination contradict each other, Operario and Fiske (2001) provide some clarifications based on extant research findings. Minorities increase suspicion of prejudice when the attribution of discrimination is certain, social support is available, and their group has high status. Conversely, minorities minimize perceptions of prejudice when the attribution of discrimination is ambiguous, social support is unavailable, and their group has low status (Operario and Fiske, 2001). Gay and lesbian customers’ interpersonal discriminatory experiences in the service context are more likely to fit the latter conditions because interpersonal discrimination by service employees is often subtle, thus ambiguous, social support from other gay and lesbian customers may not be readily available in the service exchange setting, and the sexual minority individuals are considered to have a lower status due to the stigma in the heteronormative consumption service environment; therefore, the minimization of discrimination pattern at personal level is expected. Furthermore, we posit that the personal and group discrimination discrepancy can be explained through two different mechanisms. When gay and lesbian customers perceive discrimination at a group level, a vigilance process may be motivated to protect and improve the group’s well-being by being vigilant. However, when they indicate their perceptions of discrimination at a personal level, a minimization perspective may be activated to protect self-esteem. As a result, gay and lesbian customers minimize discrimination that is directed at them personally, whereas they remain vigilant about discrimination that is directed against their group as a whole. Therefore, we expect the personal/group discrepancy in their perceived discrimination.

H1. Gay and lesbian customers will show a higher discrimination perception for the group level than the personal level.

2.3. Identity management

Perceived discrimination in interpersonal service exchanges can be stressful (Klinner and Walsh, 2013), and responses to reduce psychological strain is known as coping (Godwin et al., 1999). Hamilton and Hassan (2010) note that most coping strategies used in the social contexts could be viewed as ways of protecting and enhancing the social self-concept. Sexual orientation is a stigmatizable characteristic, which may lead to a person being discredited when it is revealed (Chrobot-Mason et al., 2001), and gays and lesbians are called “invisible minorities” because sexual orientations cannot be easily identified from physical appearance only (Fassinger, 1991). Such stigma and invisibility provide a context in which gays and lesbians deal with potential discrimination through identity management that involves controlling disclosure of information about one’s sexual orientation (Chung, 2001; Haslop et al., 1998).

Various identity management strategies have been discussed in the organizational behavior literature, ranging from a simple dichotomy (e.g., disclosure vs. nondisclosure) to more complex models with varied disclosure options. Consistent with the general coping literature and as commonly assumed, gays and lesbians may face an essentially dichotomous choice between concealing one’s sexual orientation identity and openly identifying oneself as a sexual minority member. For example, a passing strategy can be accomplished through active misrepresentations such as fabricating a heterosexual identity and altering pronouns as well as more passive tactics such as eluding personal questions and providing only general information about oneself. On the other hand, an integrating strategy involves gay and lesbian individuals revealing their sexual identity and managing the consequences in an organizational context (Button, 2001).

Other researchers suggest multi-dimensional models. Griffin (1992) suggests four sexual identity management strategies including passing, covering, implicitly out, and explicitly out, spanning a continuum from safety-making/concealment oriented strategies to risk-taking/revealing oriented strategies. Extending Griffin’s model, Chung (2001) proposes five identity management strategies: acting, passing, covering, implicit out, and explicit out, in a progressive order. Alternatively, Woods (1993) identified three main categories of sexual identity management strategies: counterfeiting a false heterosexual identity, avoiding the issue of sexuality altogether, and integrating a gay or lesbian identity into the work context. Later, Button (2001) has found empirical support for Wood’s tripartite categorization. In summary, there have been efforts to conceptualize identity management strategies used by gay and lesbian individuals. Consistent with the general social psychology literature, the distinction between strategies that involves revealing or concealing has been an important feature of theoretical models.
While some research on sexual minority customers has been conducted in consumer research, most studies have focused on gay males (e.g., Berezan, Krishen, & Love, 2015; Laffin, 1999; Visconti, 2008) or treated gays and lesbians as one group assuming they are similar (e.g., Poria, 2006; Um, 2012). Although sexual minorities (e.g., lesbian, gay, bisexual, transgender or other members of the sexual minority community) are often viewed as somewhat homogenous, researchers suggest gender differences may exist in gay men and lesbian women consumer behaviors (Bowes, 1996; Burnett, 2000).

Research on gender differences suggests that women suffer more stress than men, and their coping style is more emotion-focused than that of men (Matud, 2004). Also, women are more responsive to negative information than men and they are more sensitive to differentiating conditions and factors in information processing (Meyers-Levy and Loken, 2015). The gender differences of perceived discrimination may come from differences in the group’s relative positions within the social structure (Schmitt et al., 2002). Specific to gender differences within sexual minorities, research suggests that discriminatory experiences cause more psychological distress in lesbian women due to heterosexism as well as sexism (Szymanski, 2005). Lesbian women are considered to be a doubly marginalized minority and have experienced more obstacles and discomfort; and therefore conceal their sexual orientation more often than gay men (Bowes, 1996). While there is only very limited research available on gender differences in perceived discrimination and identity management engagement by gay men and lesbian women, extant literature generally points out that lesbian women tend to have a higher level of perceived discrimination compared to gay men due to their doubly marginalized social status. In terms of identity management strategies, gender differences in stress and coping studies suggest that lesbian women may engage in concealing-oriented strategies while gay men may engage in revealing-oriented strategies. Accordingly, we propose the following hypotheses:

H2. Lesbian women will show higher discrimination perceptions compared to gay men.

H3a. Lesbian women are more likely to engage in passing identity management strategy compared to gay men.

H3b. Lesbian women are less likely to engage in revealing identity management strategy compared to gay men.

Since discrimination is a threat to equality which is one of the fundamental societal values (Taylor et al., 1996), a natural tension can arise in the negative interpersonal service encounters. Service employees might be careful not to express prejudice and deny any charges of discrimination. Gay and lesbian customers might be prone to interpret ambiguous negative interactions as potentially discriminatory; yet might also deny or minimize the experience of personal discrimination to maintain self-esteem. The discrimination literature developed based on social identity, attribution, and other relevant theories explains how minorities perceive discrimination at an individual and a group level. In regard to response to discrimination, research suggests that gay and lesbian individuals may utilize identity management strategies to avoid interpersonal discrimination and gain desired outcomes in social interactions. Consensus about dimensions to describe identity management has not yet been achieved; rather gay and lesbian individuals are described as choosing between two broad ends, concealing and revealing. Based on perceived discrimination and identity management research, this research focuses on how gay and lesbian customers perceive potentially discriminatory attitudes and behaviors of service employees and manage their identity during service encounters in the hospitality context by examining gender differences (See Fig. 1).

3. Method

3.1. Procedure, measures, and sample

An online survey was created, and 143 gay and 154 lesbian participants were recruited through a consumer panels firm. Participants had to qualify through screening questions by indicating whether they identify themselves as gay or lesbian, 18 or older, and living in the United States. Then, the participants were asked to respond to a series of scaled items that assess perceived discrimination at the personal level and group level, identity management, and demographics. For Perceived Customer Discrimination, a 13-item scale was adapted from Kliner and Walsh (2013) and used to measure individual level perceived customer discrimination (e.g., I am often verbally abused by service employees) and group level perceived customer discrimination (e.g., gay and lesbian customers are often verbally abused by service employees). Identity management was measured via a 10-item scale (e.g., “I adjust my conversation to appear heterosexual”) adapted from Button (2004). All items were measured using 7-point Likert scales (1 = strongly disagree; 7 = strongly agree). See Appendix A for the full scales used in this study.

The mean age of the participants is 41 years (ranged from 18 to 76 years), the majority of respondents (49%) are single, 27% are partnered, and 15% are in a same-sex marriage or civil partnership. The majority of them are White/Caucasian (73%), about half (49%) of the participants have a college or graduate degree, and 32% of the participants indicate an income level of $40K-79K. Table 1 reports the details of sample demographic characteristics.

4. Results

A mixed between-within ANOVA was conducted to assess the effects of level (personal vs. group) and gender (gay men vs. lesbian women) on the perceived customer discrimination. There was a substantial main within-subject effect of personal/group level on perceived discrimination (Wilks Lambda = .555, $F = 236.972$, $p < .001$). Both gay and lesbian customers showed a significantly higher discrimination...
perception for the group level (M = 3.95) than the personal level (M = 2.82), thus H1 is supported. Also, there was a significant main effect of gender on perceived discrimination (M = 3.62) than gay men (M = 3.12) across personal and group levels, providing support for H2. There was no significant interaction between personal/group and gender in perceived discrimination. The cell means are reported in Fig. 2.

Ten items of identity management were subject to an exploratory factor analysis with Oblimin rotation method. Two factors with an eigenvalue greater than one were identified and explained 69.438% of the total variance of identity management. The pattern matrix suggested that the first factor concerns behaviors where a gay or lesbian customer was “passing” to appear heterosexual by concealing their sexual orientation identity and avoiding personal questions (7 items, α = .942). The second factor related to behaviors where a gay or lesbian customer was “revealing” his or her sexual orientation identity, such as displaying symbols or even confronting negative stereotypes of homosexuals (3 items, α = .755). Results of the exploratory factor analysis for identity management are shown in Table 2.

Correlations were examined for perceived discrimination at the personal and group levels and identity management dimensions (See Table 3). A strong positive correlation was found between perceived discrimination at the personal level and group level (r = .688, p < .01) and moderate levels of correlations were observed between perceived discrimination and identity management strategies (r = .341,.458, p < .01). Identity management strategies have stronger correlations with perceived discrimination at the personal level (r = .458, p < .01 and r = .365, p < .01) than group level (r = .341, p < .01 and r = .355, p < .01), for passing strategy and revealing strategy, respectively.

MANOVA was used to examine differences of gender on the two identity management strategies, passing and revealing. Multivariate analysis indicates that there is gender difference in the identity management strategies (Wilks’s Lambda = .961, F = 5.928, p = .003) and univariate analysis reveals that gender difference is found only in the revealing identity management strategy (F = 10.923, p = 0.001). Contrary to our prediction in H3b, lesbian women (M = 4.24) were more likely to engage in revealing strategy in service encounters than gay men (M = 3.67). However, there was no gender differences found with the passing strategy (M = 3.27 for lesbian women and M = 3.27 for gay men). Thus, H3a and H3b are not supported.

5. Discussion

The study results suggest that both gay and lesbian customers perceive discrimination being lower at the individual level than at the group level. This finding is consistent with the personal/group discrimination discrepancy research and two opposing views may explain this notion. On the one hand, a vigilance perspective posits that minority group members are highly sensitive to any signs of discrimination in social encounters and are eager to assign blame. On the other hand, a minimization perspective suggests that minority group members deny or fail to recognize that they are targets of discrimination personally. As some researchers posit (e.g., Taylor et al., 1996), different processes may govern perceptions of discrimination at the personal and group levels. When gay and lesbian customers perceive discrimination at a group level, a vigilance process may be motivated; yet when they indicate their perceptions of discrimination at a personal level, a minimization perspective may be activated. As a result, gay and lesbian customers tend to minimize discrimination that is directed at them personally, whereas they remain vigilant about discrimination that is directed against their group as a whole.

Results also suggest two identity management strategies used by gay and lesbian customers in service encounters. Passing strategy includes hiding their sexual orientation from others, avoiding personal questions, and attempting to appear and act heterosexual/straight. When gay and lesbian customers interact with service employees in a heteronormative environment, many stay “in the closet” to avoid physical harm and social disapproval (Corrigan and Matthews, 2003). Passing strategy allows gay and lesbian customers to avoid any potential conflicts or other negative situations in order to distance the self from stigma and discrimination (Meisenbach, 2010). On the contrary, revealing strategy involves gay and lesbian customers telling service providers about their sexual orientation and displaying signs/symbols that indicate sexual orientation. While some previous research proposes multiple strategies in their identity management models, our findings suggest only two strategies. This difference may be explained by the study context. Most previous identity management research has been developed in the workplace context where sexual minority individuals usually have extensive interactions with known co-workers and a decision to disclose sexual orientation is complicated with whom, whom, and to what extent, depending on an individual’s sexual identity development and the assessment of workplace climate (Chrobok-Mason et al., 2003).
et al., 2001). On the contrary, a service encounter is a consumption context that involves an unknown service provider in a relatively short exchange moment. This circumstance may leave ultimately limited choices of identity management strategies (passing or revealing) for gay and lesbian customers.

In terms of gender differences in perceived discrimination, gay men show lower perceived discrimination than lesbian women at both personal and group levels. These findings of gender differences could be explained by societal acceptance. Research in the 1980s and 1990s notes that American heterosexuals’ attitudes toward gay men were more negative than toward lesbians (Herek, 1988; Kite and Whitley, 1996). The experience of extensive heterosexism might have led gay men to be tuned out from the daily slights and hassles that arise from prejudice, and thus to be less affected by potentially discriminatory services than lesbian women. Alternatively, lesbian women’s high perceived discrimination may reflect their intent to protect oneself and to improve the group’s status by being vigilant. In addition, the results indicate that lesbian women are more likely to engage in revealing identity management strategy in service encounters than gay men. This finding is different from past research that lesbian women are more likely to conceal their sexual orientation than gay men (Bowes, 1996). Our finding may suggest that gay men may feel less safe in service encounters than gay men (Bowes, 1996). The experience of extensive heterosexism might have led gay men to be tuned out from the daily slights and hassles that arise from prejudice, and thus to be less affected by potentially discriminatory services than lesbian women. Alternatively, lesbian women’s high perceived discrimination might have been affected by the minimization of discrimination at the personal level by (Black) minority participants.

While various explanations are offered by the authors, their results might have been affected by the minimization of discrimination at the personal level in particular. For example, a recent study by Brewster and Brauer (2017) posits more negative service experiences (thus more discrimination) for Black minority customers in full-service restaurants; however the results are contrary to predictions. Black customers’ ratings show higher confidence in receiving quality services, more positive emotions, and less inattentive/poor service, compared with their White counterparts’ ratings. While various explanations are offered by the authors, their results might have been affected by the minimization of discrimination at the personal level by (Black) minority participants.

Our research finds two identity management strategies, passing and revealing, used by gay and lesbian customers in interpersonal service exchanges. While more various options of identity management strategies are suggested in organizational behavior literature, our findings
suggest that the identity management strategy exhibited by gay and lesbian consumers may be essentially dichotomous in the consumer behavior context. The implication involves contextual consideration in identity management research. In some social contexts (i.e., workplace), gay and lesbian individuals may carefully think through the strategies to manage their identity by considering various levels of social visibility of their sexual orientation; in other social contexts (i.e., service encounter), they may engage in a rather quick decision to exhibit behaviors that result in desired impressions and positive reactions from service providers. Furthermore, it is important to note that identity management strategies can be dynamic and interdependent. Feedback from one strategy may alter the next response. For example, customers may try to engage in the passing strategy first, yet the severity of the discrimination or service provider's awareness/guess of sexual orientation may lead them to use the revealing strategy.

Our research shows that gay men and lesbian women are different in perceiving interpersonal discrimination and engaging in identity management strategies in service encounters. The extant sexual minority consumer research is largely restricted to gay males (Ginder and Byun, 2015) and tends to ignore lesbian women consumers. As a result, the findings and implications of gay men's research are often assumed to apply to lesbian women or the whole sexual minority (e.g., LGBT) group. Alternatively, most academic research has lumped the entire LGBT customers into one homogenized group with similar characteristics (Vorobjovas-Pinta and Hardy, 2016) and thus failed to note differences existing in the group. By documenting gender differences in sexual minority customers, this research responds to the inquiries of previous research that suggest gender differences in gay and lesbian consumer behaviors (e.g., Bowes, 1996; Burnett, 2000).

5.2. Managerial implications

Many customers enter service contexts in some type of vulnerable condition. These conditions may include those relating to race, disability, age, religion, immigration status, and sexual orientation. Despite differences among different types of stigma, the commonality is that they have devalued social identity that exposes them to discrimination more easily in service encounters. Although the poor treatment of one individual may not significantly impact overall organizational revenue, service biases against an entire class of individuals who are stigmatized may be disadvantageous to organizations (King et al., 2006). From the industry perspective, these customers are a valuable contribution to revenues, and discriminatory services have negative implications for organizations’ reputations and revenue (King et al., 2006).

Social acceptance or heterosexuals’ attitudes towards gays and lesbians have advanced remarkably during the last two decades (Herek et al., 2009); however, discrimination against gay and lesbian individuals is still prevalent, particularly in the forms of subtle and interpersonal discrimination (Hebl et al., 2002). Our research emphasizes that it is important for industry practitioners to understand how gay and lesbian customers perceive potentially discriminatory attitudes and behaviors of service employees. Although interpersonal discriminations are exhibited by service employees, we do not believe that service employees are solely responsible for remedying the display of discrimination; instead, hospitality organizations should also take on such responsibility. Organizational efforts, such as, training, anti-discrimination policies, discrimination management systems, and service management practices can help raise awareness of potential discriminatory services toward sexual minority customers and reduce such services.

Hospitality firms should educate service managers and employees in order to minimize customers’ perceived interpersonal discrimination that may be delivered through interactions with decreased eye contact, decreased smiling, increased rudeness, and other forms of micro-aggression such as dismissive looks, gestures and tones (Shelton and Delgado-Romero, 2011) Even though service employees may not intend to treat gay and lesbian customers with discrimination, they still may display inappropriate and potentially discriminatory behaviors without being aware. Researchers note that automatic and unaware behaviors during service encounters involve some degree of bias (Gahtner and Dovidio, 2005) and there is also a rather quick assumption that another person is heterosexual unless the person discloses otherwise (Sardy, 2001). Social aspect (e.g., no prejudice against sexuality, feel accepted and valued) of hotel experience is found to be important for gay customers (Berezan et al., 2015) and gay and lesbian customers want to be appropriately acknowledged when their sexual orientation is known to service providers (Poria, 2006). Information session and training for service employees and managers can help them to be aware of the subtle and interpersonal ways in which they may discriminate against gay and lesbian customers and to provide a more appropriate and high quality service, ultimately yielding satisfaction and loyalty from gay and lesbian customers.

Additionally, hospitality firms could develop non-discrimination policies and channels to report discrimination. For example, Hilton posts its harassment-free workplace and non-discrimination policy in their Code of Conduct handbook, signifying an organization’s commitment to minimize discrimination (Hilton Code of Conduct, 2017). Further, hospitality firms may join third-party approval programs to communicate that they are gay- or LGBT-friendly. For example, “TAG-approved” is an organization that certifies hotels and businesses as LGBT-friendly, if a company meets the standards, such as enforcing non-discriminatory policies including sexual orientation and providing LGBT diversity and sensitivity training for employees (www.tagapproved.com). Using symbols (e.g., rainbow flag, Tag-approved logo) in online and physical servicescape can help communicate a welcoming and inclusive environment to gay and lesbian customers. Organizations should also create channels for customers to report discrimination. Although customers experience discrimination but have positive expectations about the company’s appropriate response, they may use normative channels, such as a company’s complaint procedure. In contrast, when discriminated customers’ expectations for company’s response are bleak, they may choose non-normative channels to state their complaint, such as third-party actions including media and legal actions.

Finally, organizations may consider service management practices to reduce discriminatory services. For example, a recent study suggests that emotional labor leads to employee discrimination and service scripts exacerbate emotional labor and thus more discriminatory behaviors toward customers (Walsh and Hammes, 2017). Also, the institution of tipping may encourage restaurant servers to engage in discriminatory services because of the service employees’ prior assumptions about customers’ tipping behaviors (i.e., the prospect of receiving a poor tip from a certain type of customer) may lead to poor services (Brewster, 2013). Other possible service management structural elements should be considered to reduce interpersonal discriminations from service employees.

6. Limitations and future research

While this research is informative in enhancing our understanding of gay and lesbian customers’ discriminatory service experiences, there are many questions that remain unanswered concerning the extent of customer discrimination, its potential outcomes, and effective methods by which to identify and reduce negative consequences. Based on the limitations on our research, we provide research directions for future researchers.

First, our research examined gay and lesbian customers’ perceptions of discrimination exhibited by service employees. However, gay and lesbian customers may experience prejudice and discrimination not just from service employees but from other customers in the service setting. Alternatively, gay and lesbian service employees may face discriminatory interactions with customers, such as customers being rude toward those employees and leaving a lower or no tip for them (Hagerty, 2017; Madera et al., 2017). Future research can extend
research on discrimination in service encounters by investigating customer-based discrimination against minority customers and service employees.

Two identity management strategies help understand sexual minority customers’ response to discriminatory service experience; however, it remains unclear when a particular strategy is utilized and what outcomes are achieved. Even though the identity management strategy is essentially dichotomous (passing vs. revealing), we note that the circumstances that lead to these strategies are important to consider. For example, some gay travelers try to conceal personal details that might expose their sexual orientation and this desire to remain anonymous was particularly noted with Israelis due to the country’s small population and the culture of “everyone knows everyone else” (Poria, 2006). Consequently, future research is encouraged to examine individual and situation factors that lead sexual minorities to choose one strategy over the other and the consequences of each strategy when it is utilized in service encounters.

Gender differences are found in our research; however, it remains uncertain why lesbian women perceive more discrimination and are more likely to engage in revealing identity management strategy than gay men. Future research can further investigate the underlying mechanism of these gender differences. In addition, our research focuses on gender differences within the gay and lesbian sexual minority group; however there is still much diversity within the sexual minorities. Future studies may take different approaches in understanding multifaceted sexual minority customers’ service experiences.

While all discriminatory services are service failures for customers, not all service failures are discriminatory services. There is a need for recovery strategies that are designed to restore fairness and satisfaction for dissatisfied minority customers in the discriminatory service context. While the impact of magnitude or severity of service failure has been examined in service recovery research, the nature of service failure has not been. Future research can examine discrimination based service failure and effective recovery strategy compared to other service failure/recovery context.

Appendix A. Measures

Perceived Customer Discrimination (from Klinner & Walsh, 2013)

The following statements assess your general opinion about treatment that "you" (**gay and lesbian customers) usually receive compared to other customers. Please indicate your level of agreement or disagreement with each statement.

1 *I am (**Gay and Lesbian customers are) often verbally abused by service employees.
2 It often happens that employees make remarks that humiliate me.
3 It often happens that the behavior of the employees humilates me.
4 Employees are often offensive toward me.
5 Employees are often patronizing toward me.
6 Employees often take little time to advise me and quickly go to the next customer.
7 Employees are often very distant to me.
8 I am frequently being critically observed by employees.
9 Employees often make me wait longer.
10 It is often the case that employees make me wait longer.
11 I openly confront others when I hear a homophobic remark or joke.
12 Employees often give me condescending looks.
13 Employees frequently give me derogatory looks.
14 Employees often give me condescending looks.
15 I am(**Gay and Lesbian customers are) often verbally abused by service employees.
16 Employees are often very distant to me.
17 Employees are often very distant to me.
18 Employees are often very distant to me.
19 Employees are often very distant to me.
20 Employees are often very distant to me.

*Individual level: You/I/me and **Group level: Gay and lesbian customers

Identity Management (from Button, 2004)

The following statements assess your interpersonal interactions with heterosexual employees in the service setting (e.g., hotels, restaurants etc.). Please indicate your level of agreement or disagreement with each statement.

1 I have adjusted my conversation to appear heterosexual.
2 I make sure that I don’t behave in a way people expect gays or lesbians to behave.
3 I actively conceal information about myself in order to appear heterosexual.
4 I sometimes comment on, or display interest in, members of the opposite sex to give the impression that I am straight.
5 I avoid personal questions by usually remaining silent.
6 I withdraw from conversations when it turns to anything related to my sexual orientation.
7 I avoid situations (e.g., bed size) where hotel staff(s) are likely to ask me personal questions.
8 I let service representatives know that I’m proud to be lesbian-gay.
9 I openly confront others when I hear a homophobic remark or joke.
10 I display symbols (e.g., rainbow) which suggest that I am gay/lesbian.

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