

Embracing A Diverse Consumer



How Businesses Are Taking Actionable Steps To Create A Diverse, Equitable & Inclusive Retail Experience

Research Paper
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Research Paper Overview

In response to a nationwide movement that saw consumers joining together and corporate America pledging millions in support of racial justice, brands and retailers are now being held accountable for their diversity, equality and inclusion initiatives. Beyond a social post or one-off campaign, consumers' expectation for inclusivity runs deeper, spanning the entire retail experience—from a company's internal practices, to its store environment, the products it stocks, the vendors it carries, and how it's supporting its communities. While the first step was taking an internal audit and setting goals, consumers are now expecting to see results, and are calling on retailers to be transparent in how their promises are being applied to internal and external processes to create measured change.

Within this report, the PSFK Labs team has identified how retailers, businesses and creatives are authentically engaging their communities, and committing themselves to representing, uplifting and activating around BIPOC consumers year-round. Learn about the actionable consumer-facing and internal steps that businesses are taking to better connect with both new and existing consumers, and visibly demonstrate that all consumers are equally valued. And gain insight into how both established retailers and emerging brands are addressing processes, redesigning stores, and taking care to ensure the right voices are being included, heard and uplifted at every level and every stage of retail, as they use their resources and influence to address racial justice in impactful ways.



From The PSFK Community

While exploring the topic of inclusive retail, PSFK reached out to its community for their thoughts on how retailers and brands can engage all consumers in authentic, meaningful, and impactful ways. Here are their insights:

Roben Allong

Founder & CEO, Lightbeam Communications

The pandemic has certainly altered retail experiences in so many ways, whether that is contactless pick-up and go transactions or accelerated online shopping, or at the opposite end, lining up or making a reservation to shop in store à la Hermes on Fifth Avenue in New York. Given the current retail landscape, creating a more welcoming environment is no longer a one-and-done action. Instead, it is an ongoing task that retailers must commit to and be able to maintain across all retail environments. Here are a couple of key things retailers can do immediately without too much fuss:

Conduct an Experience Audit: With that in mind, retailers must become more sensitive to the experiences they are creating. Conducting an experience audit across segments (BIPOCs, disabled, neurodiverse, LGBTQ+) and channels is a great first step. “You don’t know what you don’t know”, as the old adage goes, and by first doing an audit you’ll be able to uncover previously missed gaps as well as opportunities to really understand and better serve consumers online and in-store in this highly sensitized climate.

Recalibrate Human and AI Interaction: Post-Covid consumers, especially BIPOCs who have been impacted disproportionately, are all highly sensitized and sensitive. This is a time for retailers to show that they care, that they appreciate their customers and new ones who discover them. Regardless of the channel offline or online, retailers must demonstrate to customers through their communications and messaging that they acknowledge, support and are aligned with them, their culture, their community, their lives, visually, tonally, as they go through the pandemic trauma, grief and life changes. (Millennials, especially, as the rise in suicides has been well documented)

Reconnect through Research: Re-connecting with the consumer through qualitative human-to-human research is not only the smart thing to do, it’s a responsibility. Shoppers have been through tremendous amounts of upheaval and disruption from the super luxury to the value shopper. No one has really escaped. Listening to get a better understanding of how these changes have impacted (positively and negatively) consumer mindset, attitudes, and behavior is key to harnessing new growth opportunities, keeping loyal customers and increasing revenue, moving forward.

One brand that stands out because they have confidently put themselves out there is the beauty retailer, Sephora with their Racial Bias Plan. Sephora confidently stepped in to creating a welcoming environment with both feet, not just a wink and a nod like other retailers have. The retailer has raised the bar for others to look internally at improving their own company workplace culture, externally at how they can better communicate diversity and inclusivity in the in-store experience for all customers, and continue to partner meaningfully with other trade and retail organizations to improve the industry, as a whole. "A rising tide lifts all boats" and Sephora is looking to lift not just their boat alone but the industry tide, as a whole. This is ambitious and worthy of mention.

Devon Powers

Author & Associate Professor, Temple University

There are two distinct aspects to thinking about inclusivity in retail. One of them involves getting customers into the store (or into it online), which is determined by what kinds of products you stock, where your stores are located, the overall understanding of your brand and whether it's perceived as one that values diversity and inclusion. These brand-building aspects are key to retail because they are part of how customers make decisions about where to spend their dollars, and brands need to recognize that an investment in diverse representation is an investment in changing perceptions that will lead to increased business in a direct way—as opposed to the indirect way we traditionally think about diversity in advertising.

The second element is that in-store experience—that a customer feels welcome, like they belong, etc. and that the store is organized in a way that includes rather than excludes. This includes everything from security, to how products are arranged, to what's locked up behind the counter and what's free to grab from off of a shelf.

G. Kofi Annan

Strategist & Technologist

Retailers should first evaluate their leadership and managerial teams to ensure a range of perspectives are represented in the decision-making process on an ongoing basis. This helps interpret trends and hire/train staff that reflect the communities they serve. Beyond that, the environments themselves must reflect the community identities and behaviors that the retail location is operating in. Embracing representative imagery, and multi-functional, modular retail experience will be helpful here. One way that comes to life is by taking into account localized products and different ways for customers to browse (location-specific "in-stock" alerts), visit (curbside pickup), and purchase (contactless payments) products.

How Diversity, Equality and Inclusion Are Shaping The Next Retail Landscape

Shared values are a driver for ongoing consumer loyalty, and that is increasingly tied to how a brand or retailer is addressing and supporting the causes that matter to their consumer base.

76% of Gen Zers feel diversity and inclusion is an important topic for brands to address, compared to 72% of Millennials, 63% of Gen Xers and 46% of Baby Boomers who feel the same.

What do Consumers Expect From Brands in 2021 Around Diversity & Inclusion?
Quatilope, 2020

74% of consumers indicate this year's protests against racial injustice have made it even more important to them to support businesses that are intentional about improving diversity and inclusion.

Brand Reckoning 2020. Ketchum, 2020

91% of Americans believe their collective actions, and the actions of brands, will lead to sustained change regarding racial injustice.

2021 Purpose Forecast. Oberland, 2020

80% of people want brands to respond to racism by taking a combination of verbal and physical action, like donating to an organization supporting anti-racism and making a statement.

2021 Purpose Forecast. Oberland, 2020

"When it comes to social issues, consumers are paying attention. Now more than ever, consumers are willing to put their money where their values are."

Amber Cabral. Founder, Diversity & Inclusion Consultant, CabralCo.

Along with driving brand affinity, inclusive, diverse or purpose-driven initiatives that engage a more diverse consumer present an opportunity for growth as well.

Findings by McKinsey estimate that the entertainment industry has \$10 billion to gain from addressing racial equality both on screen and off.

"Black Representation In Film And TV: The Challenges And Impact Of Increasing Diversity." McKinsey, 2021

Within the U.S., Black shoppers hold more than \$1 trillion in annual spending power and they are voting with their wallets, with 58% of African Americans now expecting the brands they buy to take social stands, and 37% more likely to continue buying from them when they do.

The Power of the Black Community – From Moment to Movement. Nielsen, 2021

Companies with a more diverse workforce are likely to be more successful. Surveying 1,000 companies in 15 countries, it found businesses in the top quartile for ethnic diversity were 36% more profitable than those in the bottom quartile. Companies with more than 30% women executives tended to outperform those with fewer.

Diversity Wins: How Inclusion Matters. McKinsey, 2020

“What brands don’t always see immediately is that [purpose-driven initiatives] may or may not impact your bottom line. However, when it’s driven or intended to drive conversation and understanding, you get to hear the testimonials. Then we can rest assured that it’s achieving at least one of the intended objectives. We look to be both a force for good and of course for growth, so that’s so important.”

Crystal Harrell, Senior Director of Communication at Procter & Gamble

To create an inviting environment for both new and existing consumers, the retail experience needs to be redesigned with accessibility and inclusion at its core.

3 in 5 retail shoppers reported that they had experienced discriminatory treatment, and 2 in 5 said it was based on their race or the color of their skin.

The Racial Bias In Retail Survey. Sephora, 2020

4 in 5 retail shoppers have difficulty finding associates who look like them or are familiar with their unique needs (82%).

The Racial Bias In Retail Survey. Sephora, 2020

65% of shoppers think stores fail to deliver an equally-distributed assortment of products catering to different shoppers’ tastes and preferences. This is particularly true for mass merchants (63%), hardware (62%), beauty (60%), and outdoor/recreation (60%).

The Racial Bias In Retail Survey. Sephora, 2020

While Americans tend to believe in the power of the purse and that money is the great equalizer, a multitude of studies have consistently revealed that racial minorities, particularly Black Americans, are not protected from stigmatizing and discriminatory treatment in retail settings. In perpetuating racially exclusionary treatment, retail stores contribute to the promotion and reproduction of racial hierarchies.

Dr. Cassi Pittman Claytor. Sephora Research Advisor



While businesses have committed to increasing representation, there's still room for improvement, from product development all the way up to executive positions.

74% of consumers feel that marketing fails to showcase a diverse range of skin tones, body types and hair textures. This is true across all categories, but especially for department stores (72%), beauty (70%), apparel (69%), and mass merchants (67%).

The Racial Bias In Retail Survey. Sephora, 2020

Nearly four in five retail shoppers (78%) don't believe there is representation in brands or companies that are owned by and made for people of color.

The Racial Bias In Retail Survey. Sephora, 2020

"There's no more 'one size fits all' — people want products that are made for them and their unique needs."

Esi Eggleston Bracey, EVP and COO of Unilever beauty & personal care, North America

A report from the CFDA and PVH shows that only 17% of executive roles and 15% of board seats at fashion companies are filled by BIPOC individuals.

State of Diversity, Equity & Inclusion in Fashion. CFDA & PVH, 2021

Despite a perception that Asians are well represented in the corporate boardroom and executive level, roughly 72% of Fortune 1000 companies do not have an Asian director.

Asian Representation On Fortune 500 Boards. KPMG & Ascend, 2020

Consumers and employees alike are looking beyond the surface into retailers' entire ecosystem, from diversity of staff, product selection and services to internal training and community impact initiatives that support real change.

Retail employees want to see the company's words supported by meaningful action. A majority (81%) of retail employees recognize the importance of being able to service diverse shopper needs, with fewer than one in three (27%) feeling confident they can meet them extremely well.

The Racial Bias In Retail Survey. Sephora, 2020

59% of retail employees want training on how to better service a diverse set of shopper needs, and even fewer have received DEI training (53%) or unconscious bias training (40%). Three in five (61%) retail employees who receive Diversity and Inclusion or Unconscious Bias Trainings believe such formal training is very, if not extremely, successful in reducing unfair treatment in their store.

The Racial Bias In Retail Survey. Sephora, 2020

“A culture change only happens when organizations go beyond check-the-box programs and invest in an ecosystem cultivating a diverse and inclusive workplace.”

Donald Fan, Senior Director, Walmart’s Global Office of Culture, Diversity, Equity and Inclusion

”The two biggest threats that the world currently faces are climate change and social inequality. The past year has undoubtedly widened the social divide, and decisive and collective action is needed to build a society that helps to improve livelihoods, embraces diversity, nurtures talent, and offers opportunities for everyone.”

Alan Jope, Unilever Chief Executive

“My team and I are quickly reimagining Footaction’s product assortment and marketing to inspire and facilitate self-expression for our consumers: We are in the business of inspiration and self-expression, so we’re taking the lead to serve and empower the systemically underserved: Latinx, African Americans and women.”

Patrick Walsh, VP and GM of Foot Locker Inc.'s Footaction

To authenticity engage consumers, inclusion cannot be a one-time conversation, but an ongoing commitment to representing, uplifting and activating around underserved consumers and communities year round.

[Levi’s] wants to make sure this campaign isn’t something that is forgotten once February ends. “The campaign was released to coincide with Black History Month, but each month we will be rolling out new films through June 2021. It’s easy to say ‘be authentic’ or ‘stand up for what you believe in,’ but it isn’t actually easy to do. Our hope is to inspire others to undertake this journey.”

Jennifer Sey, Brand President, Levi’s

“Most brands do a diversity campaign so that they don’t get lit on fire, and that’s it, but you have to be very proactive and pointed in saying that you’re here for this audience — and then show them how.”

Chelsea Riggs, brand president of Amika

“We’ve long believed that we are all made better by the diversity that exists within our communities. We are committed to improve the diversity of the vendors we partner with across all parts of our business, which will help us better serve the needs of our customers.”

Chris Wanlass, GM, Nordstrom’s New York City Flagship Store



"Behind the scenes, our partners are creating programs that are designed to support Black small business owners and aid them in their growth strategy. We work with these retailers every step of the way — and that is why every partnership looks a bit different. Real structural change takes time, and we will continue to hold these companies accountable to their unique goals."

Aurora James, Founder of The 15% Challenge & Brother Vellies

"If you don't have a multicultural strategy for your brand, chances are you are not going to have a brand within the next ten years. Multicultural consumers—as the fastest-growing consumer segment in the United States—are very important to connect with culturally."

Cheryl Grace, SVP of Strategic Alliances & Consumer Engagement, Nielsen



TRENDS

Inclusive Environments

To better serve and reflect the communities they service and exist within, corporations, retailers and brands are taking care to offer in-store environments that create a sense of belonging by ensuring shoppers can access the knowledgeable support and products. This comes to life through purposeful initiatives including multicultural staffing, sourcing from a broad range of vendors, and highlighting diverse partnerships within the physical environment.

Sephora

As part of a comprehensive effort to address racial bias within its own organization, beauty retailer Sephora is reexamining and updating their in-store operations. Their newly released plan aims to both eradicate instances internal discrimination as well as increase Black-owned brands within the store itself. Structural changes the beauty retail is making include a zero-tolerance policy that ensures racially-based behaviors are investigated with consistency, reducing the use of third-party security forces, and doubling the Black-owned brands in their assortment.

iq.psfk.com/post/inclusion-expands-to-redesigned-stores

Trader Joe's

Grocery chain Trader Joe's is taking steps to improve their diversity initiatives with regards to both hiring and training processes as well as supplier diversity. With a focus on increasing the diversity of leadership within stores, the company is updating their mentoring and development structures under the leadership of their new Director of Diversity and Inclusion, Deborah Williams. To reflect the values they're working hard to implement internally, Trader Joe's has dedicated a product development team to ensuring an increase in the amount of Black-owned product suppliers they buy from as well as setting a target of sourcing 15% of their tasting presentations from Black-owned businesses.

iq.psfk.com/post/diversity-hiring-training-and-supplier-processes



Target

In an effort to serve and respond to the needs of its surrounding community, Minneapolis' Longfellow-based Target spoke directly to the Black residents, community organizers, and employees the store's reopening would impact most. To make the necessary adjustments needed to not only combat the negative perceptions of the store, which included issues like poor stocking and management, but also create a space in which Black guests would feel "overtly" welcomed and considered, the retailer specifically focused on implementing the changes the local community wanted most. Updates to the store included an expansion of the food and beverage section, an additional entry more accessible to train users, and safety improvements like brighter entrance ways. To implement the changes, from the inside out, Target partnered with a local Black-woman-owned general contracting company Noor. iq.psfk.com/post/target-local-community-reopening-goals

Representative Marketplace

To generate awareness and provide shoppers with access to brands that reflect their values, platforms dedicated to supporting emerging, diverse, and non-traditional brands and businesses are helping them to better connect with and engage a wider, and often underserved consumer.

Thirteen Lune

Thirteen Lune is a collaboration between Nyakio Grieco, founder of beauty brand Nyakio, and Patrick Herring, founder of size-inclusive luxury fashion retailer 11 Honoré. Not only does the platform sell products created by Black- and Brown-owned brands—it also features each of the brand creators’ stories on the site and its social channels, creating a deeper emotional connection with the products. Grieco was inspired by her own experience—it took decades of hard work to achieve her dream, and she hopes to remove some of those barriers for other creators, both for their own sake and for future generations. The platform’s intended audience includes both Black and Brown consumers and allies of all colors who want to support inclusive beauty.

iq.psfk.com/post/thirteen-lune-black-brown-beauty

Black Owned Everything

First introduced as an Instagram page, stylist Zernia Akers’ Black Owned Everything is now a fully operational e-commerce marketplace and media culture hub. Created to highlight a range of both established and emerging Black entrepreneurs, the marketplace currently hosts 35 brands across fashion, accessories, beauty, lifestyle and design. Inspired by the desire to discover and support independent brands, small businesses and creators from within the Black community, consumers are able to do just that, all within one destination. Financed by Akers herself, the stylist and founder is working directly with creators to test and create exclusive products for the site, while each featured brand handles their own inventory and shipping, and contributes a 20% commission to BOE on each sale.

iq.psfk.com/post/black-owned-everything-marketplace

Revisionary

To address the lack of representation of Black-owned brands, specifically within luxury fashion marketplaces, Revisionary was created as a platform for both Black creators and as a go-to destination for consumers to discover and support these brands. Through The Impact Initiative, Revisionary has partnered with 50+ brands, all founded by Black entrepreneurs and creatives to list their items and give back to community initiatives like The Okra Project, Black Girls Code, and Equal Justice Initiative.

iq.psfk.com/post/revisionarys-impact-initiative



Talent Cultivation

To create an inclusive and diverse ecosystem, organizations are looking internally first, and establishing platforms for BIPOC employees, creators, and community members to access the training, mentoring and educational resources needed to advance within their respective fields and workplaces. By providing equal access to growth, organizations prioritizing diversity and inclusion externally, are able to reflect those same values internally as well.

Netflix

Streaming giant Netflix recently announced they would be creating a \$100 million fund focused on outreach to communities that are underrepresented in the industry and want to pursue a career in the entertainment field. Through what they've deemed the "Netflix Fund for Creative Equity," the company will be funding internal initiatives geared towards empowering talent and job placement, as well as supporting outside organizations with relevant specializations. Through the new initiative, Netflix is aiming to amplify previously ignored voices and offer training programs to close systemically unequal skill gaps.

iq.psfk.com/post/streaming-services-creative-equity-fund

We The Culture by Facebook

Facebook's employee-founded program "We The Culture" provides Black content creators with dedicated funding, mentorship and platform-specific guidance and programming to better reach audiences on both Facebook and Instagram. Committing \$25 million to the program, We The Culture aims to amplify Black voices and creators over the age of 18 with a minimum of 10,000 followers. After submitting an application, those selected will receive content funding as well as access to educational resources to better grow their following and reach more social media users.

iq.psfk.com/post/we-the-culture-by-facebook

K-Swiss

Shoe brand, K-Swiss, launched a multifaceted community based program in an effort to empower Black creators and youth in the Los Angeles area. Through a series of partnerships with local programs and organizations, K-Swiss both hosted at-risk youth at their global headquarters quarterly, and created a mentorship and internship program focused on the fashion and footwear industries. The latter, specifically for young Black creators based in L.A., was geared towards workforce preparedness and skill development.

iq.psfk.com/post/k-swiss-black-creatives

Employee Directives

Often, tone deaf or insensitive campaigns and services can be directly linked to a company's lack of internal representation and buy-in from the intended community. To authentically and respectfully engage multicultural consumers, organizations are investing in their BIPOC employees and internal teams, and providing them with the resources and creative control to design, launch and manage products, platforms, initiatives and campaigns that uplift and highlight Black and Brown creatives and community members.

Bombas

To celebrate and give back to the Black community this Black History Month, apparel company Bombas, known for its one-for-one sock donation model, looked internally when designing its latest line of socks. Black-identifying creatives at Bombas, also known as The Black Hive, were given creative control over the design, development, and marketing production of The Black Hive Collection, which resulted in eight new pairs socks with each pair sold resulting in a pair donated to someone in need at Black community organizations.

iq.psfk.com/post/black-identifying-creatives-at-bombas

New Balance

While launched to coincide with Black History Month, "My Story Matters" is an ongoing campaign by athletic brand New Balance that was conceived, designed and executed by a BIPOC team. The capsule includes newly designed 574 and 990v5 silhouettes, two of the most popular sneakers within the Black community, and is being represented by brand ambassadors Jaden Smith and pro tennis player Coco Gauff. The campaign and its message, 'My Story Matters', represents the brand's commitment to and belief that "every Black story has value and deserves a chance to be heard" both internally and externally, as well as a call to action for others to participate in encouraging Black creators and stories.

iq.psfk.com/post/campaign-designed-produced-bipoc-employees

Black Owned Businesses Challenge

To call attention to and positively impact the racial wealth gap, employees from five of advertising's leading agencies, including Huge, Mother, R/GA, 72andSunny and Wieden + Kennedy pledged to shop from Black-owned businesses for the month of February. In 2019, the Black affinity group, RBG, at Huge created an agency-wide competition to encourage employees to spend more than \$35,000 with Black-owned establishments. That idea inspired agencies to join in, resulting in the "Black Owned Business Challenge" effort this year. Along with challenging co-workers to consider Black-owned businesses that could serve their everyday needs, the month-long event was also designed with the hope that employees would continue shopping from these brands year-round.

iq.psfk.com/post/agencies-buy-black-owned-year-round

Entrepreneurial Acceleration

As individuals pursue their creative and entrepreneurial passions, and seek out new sources of financial and educational support, established retailers have a unique opportunity to step in and provide the tools and expertise to support these endeavors. Through accelerator programs, companies are able to identify and fill possible gaps within their own product assortment, simultaneously providing entrepreneurs with the resources to achieve their goals, while ensuring their consumers are able to find products that reflect their values and culture, and meet their needs.

Making It by Lowe's

Addressing social impact and its own role in creating a more equitable retail experience is a priority for home improvement retailer Lowe's. To discover and ultimately amplify the reach of entrepreneurs from a diverse range of backgrounds, the retailer has launched the series Making It, where small businesses will be able to pitch their products for the chance to be featured on Lowe's.com or in-store and receive marketing support and mentoring services. In addition to its accelerator program, Lowe's plans to feature more than 400 products from entrepreneurs in its stores or on its website, and has donated \$30 million in grants for minority-owned businesses.

iq.psfk.com/post/makin-it-lowes-representation

Ulta

As part of its \$25 million commitment to diversity and inclusion, beauty chain Ulta has created a multi-part initiative to achieve equality throughout its organization. In addition to store updates and employee training, \$20 million of that pledge will be invested in media platforms including its own, Muse, to engage, connect with and feature LatinX, Black and other underserved communities and their stories. Additionally, the company plans to double the number of Black-owned brands within its assortment by the end of 2021, is dedicating \$4 million to provide them with marketing support, and will work directly with the founders to help grow their brands.

<https://iq.psfk.com/post/ulta-support-black-owned-brands-founders>



Sephora

Like so many other brands and retailers, Sephora spent 2020 in a state of institutional reflection. The company, which had previously joined the 15 Percent Pledge (to dedicate 15% of their shelf space to black owned brands), also updated their accelerator program to reflect a focus on empowering people of color. While the Sephora Accelerate program historically aims to support female founders, this year's selected brands were all created by people of color. Through the incubator initiative, participants receive guidance central to success in business, such as education, mentorship, merchandising support, potential funding and investor connections. At the final stages of the program, the founders have the opportunity to pitch to be launched in Sephora stores.

<https://iq.psfk.com/post/accelerator-program-empowers-female-founders>

Impact Councils

Networking professionals and industry experts across retail segments are partnering with brands and retailers to create platforms and institute programs that prioritize underrepresented communities. Actively working to connect creative communities within the retail and design space to the necessary resources to grow and succeed, these organizations are providing the blueprint for equality across industries.

Your Friends In New York

Partnering with luxury conglomerate Kering, the designer and founder behind Pyer Moss Kerby Jean-Raymond has created a platform to empower the next generation of innovators. Your Friends in New York is meant to act as a digital ecosystem for creatives across art, music, philanthropy, wellness and fashion, connecting emerging minority voices and brands to incubator programs, business models and merchandising services.

iq.psfk.com/post/your-friend-in-new-york

In The Blk

Established by designer Victor Glemaud, In The Blk is a professional network dedicated to connecting Black designers to business building resources, networking opportunities, legal resources and even logistical support. With the ultimate goal of helping designers to reach economic independence, the network includes designers like Virgil Abloh and Stella Jean, and offers members a weekly call-in session where ideas, opportunities or any issues can be shared and workshopped among the entire group.

iq.psfk.com/post/in-the-blk-network

RaiseFashion

Not-for-profit group RaiseFashion, led industry executives including designer Carly Cushnie and Net-a-Porter's global buying director Elizabeth von der Goltz, is a complimentary mentorship organization for Black-owned brands and fashion industry professionals in need of advice regarding operations, product, sales, branding and more. After an initial meeting with one of RaiseFashion's advisors to determine a brand's most pressing needs, they are paired with up to three of the groups 75+ industry experts, who's backgrounds range from luxury to mass market, and receive a minimum of one consultation with each expert.

iq.psfk.com/post/raisefashion-mentorship-black-owned-brands

Representative Advisory

To authentically, honestly and impactfully connect with their consumers and communities, retailers are actively ensuring that a diverse range of voices are being heard, from the top down, and at every stage of product, marketing and community development. By creating advisory councils, boards and positions within their own organizations or partnering with those outside of it, retailers are not only signalling to their consumers that their experience is valued, but also taking measured steps to provide value in an inclusive and purposeful way.

Tracee Ellis Ross x Ulta

Actress and founder and CEO of hair care brand Pattern Tracee Ellis Ross is stepping in to provide council and drive accountability to the beauty retailer Ulta, as it looks to create an equal experience for all through its entire organization. Drawing from her own experience as a beauty brand founder, Ross will be working with existing and future BIPOC-owned brands sold at Ulta. Ross will also be helping the brand to diversify both its supply chain and leadership positions, and will be an integral part of Ulta's quarterly executive diversity and inclusion summits.

iq.psfk.com/post/tracee-ellis-ross-ultra-diversity-and-inclusion-advisor

Kudzi Chukumbu x TikTok

Trading a career in accounting for digital media, Kudzi Chukumbu is now empowering and amplifying BIPOC content creators through his role of Director of Creator Community at TikTok. With a focus on development programs that provide BIPOC creators with platform-specific education and marketing resources, Chukumbu helped to develop TikTok for Black Creatives, a three-month long incubator program that includes forums, town halls and events designed to support emerging artists and musicians on TikTok. This, along with his work on other TikTok initiatives including #BlackTikTok, #BlackVoices Live and the #MakeltBlack Creators Summit led to Chukumbu' being recognized as the Top Innovator of 2020 by ADCOLOR, an organization that celebrates and advocates diversity in the creative and technology industries.

iq.psfk.com/post/tiktok-director-creator-community-kudzi-chukumbu-bipoc-resources

Black In Fashion Council

Founded by Lindsey People Wagner, editor-in-chief of *The Cut*, and Sandrine Charles, a public relations expert, the Black In Fashion Council is partnering with fashion companies in an effort to hold them accountable to making structural changes related to diversity and inclusion. To date, the council is working with 38 companies and counting, ranging from platforms like Farfetch, Moda Operandi and RealReal to brands including Prabal Gurung and Tommy Hilfiger. Once companies sign on, they have access to BIFC's executive board over the course of the next three years, as they implement policies that center diversity from the top down.

iq.psfk.com/post/black-in-fashion-council

Public Accountability

Many brands have faced a moment of reckoning in the last year, and have specifically focused on and dedicated resources to reevaluating their company's role in perpetuating inequity or upholding unrealistic, unfair, or dated standards. To hold themselves accountable, brands, retailers, and individuals alike who publicly announced a commitment to change last year, are now showing exactly how they've taken on racial, economic, and gender representation within their own corporations, and how they're following through on long term impact and opportunity for those from underserved, undervalued, or underrepresented communities.

Apple

After pledging \$100 million to its Racial Equality and Justice initiative in 2020, Apple has revealed the multiple investments that will officially benefit from that initiative. As a founding partner and \$25 million financial backer of the Propel Center in Atlanta, which will be a virtual and IRL learning hub for Historically Black Colleges and Universities, Apple will be developing the curriculum to cover topics like machine learning, social justice, entrepreneurship, and app development, while students will have access to internship and mentorship opportunities. In Detroit, an Apple Developer Academy will be accessible to all city residents, and offer a 30-day beginners coding program as well a months-long boot camp for developers. Additionally, the tech retailer has invested \$10 million toward venture capital funding for BIPOC entrepreneurs.

iq.psfk.com/post/apple-racial-equality-and-justice-investments

Walmart

Along with continuing to work toward a diverse workplace internally, Walmart is also working to identify how and where its business can change systems throughout the U.S. that perpetuate racism and discrimination. Through its newly formed foundation, the Center for Racial Equity, Walmart has pledged to contribute \$100 million in grants over the next five years to nonprofit organizations that focus on identifying financial opportunities for minority-owned businesses, providing greater accessibility to health and wellness within racially diverse communities, strengthening diverse talent pipelines and equitable access to advancement in the workforce, and supporting development systems for formerly incarcerated applicants to re-enter the workforce. To date, Walmart has distributed the 14.3 million to 16 organizations that are working toward racial equality by educating BIPOC communities about the Covid-19 vaccines, reducing debt for students at HBCU and ensuring children attending remote school have internet access.

iq.psfk.com/post/walmart-pledges-100-million-nonprofit-orgs-racial-equity



Pepsi Co.

In 2020, after sitting down with employees, beginning with a cohort of Black associates, to ask what the company could do better, Pepsi Co. released a pledge to invest \$400 million in these next five years as well as a new set of goals designed to improve diversity not only internally but across its communities as well. These goals include increasing the number of Black managers by 30%, adding at least 100 Black associates to its executive ranks and spending \$272 million with Hispanic suppliers by the end of 2020. To accomplish its internal goals, Pepsi Co. is connecting with HBCU through executive sponsorship and alumni reachout, and formed a dedicated college recruiting team as well. They have also formed a task force of Black executives to ensure pledges are being met. The company is also reaching into its communities by challenging the businesses it works with to support local businesses and supplies, and examining their own teams and investments to ensure they're supporting diversity measures as well.

iq.psfk.com/post/pepsi-outlines-steps-and-investments-towards-diversity



ABOUT PSFK

YOU ARE READING A CHAT-A-RESEARCHER REPORT - AVAILABLE FOR PSFK MEMBERS

PSFK is a business innovation platform for creative professionals. Since 2004, we've provided insights, research tools, advice and immersive experiences to help our members as they build better products, services, marketing and retail.

PSFK MEMBERSHIP INCLUDES:

- Full access to a database of 150,000 creative business ideas (updated daily)
- Full access to industry-focused newsletters
- Full access to a library of 250+ Trends Research Reports
- Access to Analyst Engagement services with ability to request bespoke reports

OUR WORKSHOPS

PSFK leverages its research findings, strategic recommendations and other conceptual work to develop 1-day workshop sessions. These sessions are structured as a collaborative discussion to present the team with research and encourage new and broader thinking.

By the end of the session, the goal is to have identified at least 3 blue sky strategies and 8-12 quick win initiatives.

BESPOKE RESEARCH

PSFK analysts combine analysis from trends research, competitive review, client data and expert opinion to identify higher-level brand engagement strategies and tactical initiatives.

Deliverables include strategy playbooks, product and service concepts, consumer scenarios and prototypes

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