Brands land in hot water for Juneteenth marketing miscues

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The news: Several companies issued apologies in recent days for promotional flops tied to the upcoming Juneteenth US holiday after the moves were criticized as racially insensitive.

• **Microsoft**-owned **343 Industries** this week renamed an emblem in its **Halo Infinite** game meant to celebrate Juneteenth, which observes the end of slavery, that was initially labeled

"Bonobo," which is a type of great ape. After social media backlash, the name was changed to "Freedom."

- The Children's Museum of Indianapolis expressed regret for selling a "Juneteenth watermelon salad," which was called out for stereotyping.
- **Walmart** drew fire for Juneteenth-themed ice cream and party favors that left a sour taste as blatant commercialization of the holiday.

Missing the mark: Such misfires underscore a need for brands to reflect cultural sensitivities in their marketing. Our recent <u>Spotlight on Black consumers</u> notes that promotions targeting people of color aren't always successful.

Analyst insight: "It is disingenuous when brands put on superficial promotions without understanding how their actions may or may not connect with Black history, culture, and contemporary lives," said **Jingqiu Ren**, senior analyst for demographics at Insider Intelligence.

On the mark: Some Juneteenth initiatives show support for culture and employees.

- A Juneteenth Music Festival in Denver, Colorado, will include two days of live entertainment and retail shopping, with proceeds going toward promoting youth economic empowerment.
- Companies including **Nike** and **Twitter** have made Juneteenth a paid holiday for their workers.
- Tito's Handmade Vodka is a sponsor of this year's Juneteenth Unityfest, a celebration that includes educational and entertainment events.

The opportunity: Companies that make an effort to address problems that disproportionately affect Black people can gain commercial success and make a social impact, our Spotlight states.

 92% of Americans and 95% of US African Americans feel it is very important or somewhat important for companies to promote racial equity in the workplace, an <u>April 2022 survey</u> from JUST Capital found. And 68% of Americans feel companies have more work to do to accomplish this.

Why this matters: Black consumers can be a powerful shopping base for brands, and our research suggests they will reward companies that get representation right.

 Black households spent 5.7 percentage points more of their annual expenditures on products such as food, clothing, and personal care than the US average in 2020, our Spotlight

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notes, citing US labor data.

- The buying power of Blacks continues to grow and will rise to \$1.8 trillion by 2024 from \$1.4 trillion in 2019, per <u>Nielsen research</u>.
- Black consumers have a strong likelihood of shopping at retailers that make efforts to combat racial injustice (chosen by 56% of Black consumers as a top social issue) and promote equality (53%), according to a June 2021 <u>NielsenIQ</u> survey.

The big takeaway: Rather than attempting to cash in on Juneteenth with promotional gimmicks, consumers would rather see brands offer products that truly address their needs and continually take action to eradicate systemic inequalities people of color deal with daily.

Go further: Read our Spotlight, <u>Black Consumers 2022: Authentic Connection Is Key to</u> <u>Reaching This \$1.6 Trillion US Market</u>.

Demographic Profile of US Black vs. Total Consumers, Dec 2020 % of total

| | Black consumers | Total |
|-------------------------------------|-------------------|-------|
| Gender | | |
| Female | 52.3% | 50.8% |
| Male | 47.7% | 49.2% |
| Generation | | |
| Children and teens (0-17) | 23.6% | 22.1% |
| Adult Gen Z (18-23) | 8.8% | 7.8% |
| Millennials (24-39) | 23.7% | 21.8% |
| Gen X (40-55) | 20.1% | 19.8% |
| Baby boomers (56-74) | 19.1% | 21.6% |
| Seniors (75+) | 4.8% | 7.0% |
| Note: numbers may not add up to 100 | % due to rounding | |

Source: Insider Intelligence analysis of IPUMS (Integrated Public Use Microdata Series), March 2, 2022

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