

Black History Month offers retailers an opportunity to meet unmet demand

Article

The trend: A number of retailers, including Amazon, Nordstrom, and Target, have used Black History Month to highlight their efforts to increase the number of products produced by

Black-owned brands and products on their shelves.

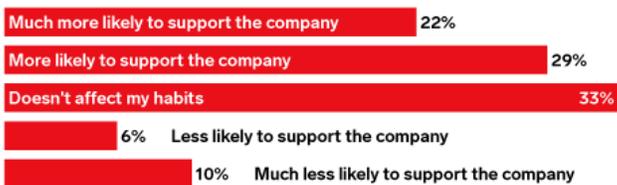
More on this: While a significant share of consumers want to buy products produced by Black-owned companies, they often struggle to find those items.

- **45%** of people believe **retailers should actively support Black-owned businesses and brands**, [per](#) a recent McKinsey report.
- **51%** of US adults are more likely to support companies that make public commitments to diversity and equity initiatives.

Black-owned brands and products are underrepresented on store shelves, which can make them challenging to find. They accounted for **\$83 billion** in sales in 2020, roughly **1.5%** of **\$5.4 trillion** in retail spending.

How Do US Adults Feel When a Company Makes a Public Commitment to Diversity and Equality Initiatives?

% of respondents, April 2021



Note: ages 18-64
Source: ThinkNow, "Diversity & Inclusion: Brands and Consumer Purchase Intent," June 8, 2021

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Understanding the opportunity: A number of retailers have spent the past month spotlighting Black-owned brands and demonstrating how they're taking steps to address diversity, equity, and inclusion (DEI) issues beyond the month of February.

- Amazon highlighted Black-owned businesses and their products on both its Buy Black and Amazon Fashion storefronts, and it featured Black-owned brands at its nine Amazon Pop-Up locations. The retailer has also touted its [Black Business Accelerator](#), a \$150 million investment to help build sustainable diversity and provide growth opportunities for Black-owned businesses.
- Nordstrom devoted a [section](#) of its website to enable consumers to shop and learn about Black-founded brands. It also set a number of DEI-related goals, such as increasing Black and

Latino representation among its managers by at least 50%.

- Target launched a Black History Month collection of products, in addition to the [Black Beyond Measure](#) hub on its website that showcases products from Black-owned brands that are part of its everyday assortment.

Potential pitfalls: Authenticity is important to retailers' initiatives.

- **Bath & Body Works** faced a social media backlash after featuring traditional African cloth art designs in its packaging for its Black History Month collection of candles, lotions, and fragrance mists.
- “Black Americans are a heterogenous group with the fastest growing group of multiracial individuals, as well as a significant portion of immigrants who came from not only Africa but also places such as West Indies, Latin America, and Germany,” said **Jingqiu Ren**, senior analyst, demographics at Insider Intelligence. “There is diversity in Black Americans’ identity, which retailers need to recognize. Retailers that ‘package the surface’ may not address the real inequities that exist, which can end up offending people.”

The big takeaway: Inclusion is good business, and Black History Month offers retailers an opportunity to highlight the work of Black businesses.

- One month a year isn't enough to address long-term inequities, which is why retailers need to find ways to tackle DEI issues year-round.
- Doing so can produce strong results. **Sephora's** Black-owned brands experienced [double-digit growth](#) in sales year over year last year.