

Multicultural Beauty



Multicultural consumers are rapidly changing the face of beauty in America. Non-Hispanic white Americans are projected to be a minority by 2044, and Nielsen points out that the youngest generations of Americans are already more than 50% multicultural. Meeting the beauty needs and preferences of these consumers is vital to any retailer or supplier that wants to see its businesses grow today and in the future



The Global Beauty Alliance

The combined voice of the multicultural beauty industry

A message from our leaders and board of directors

The multicultural beauty customer represents one of America's fastest growing consumer populations, and importantly, according to IRI research analysis, the multicultural beauty category is growing at 10% rate annually. To further the growth of our category, a new global voice of the multicultural beauty industry has been created called the Global Beauty Alliance (GBA). The organization is composed of a diverse group of entrepreneurs, brand owners, manufacturers and distributors. These influencers and experts passionately

work together toward the continued growth and rapid expansion of our category.

As we know the conversation is global today and this alliance will work to unify the beauty industry globally. GBA members represent years of expertise in consumer centric marketing, merchandising, promotion, and shelf management that truly conveys serving this consumer with integrity and quality. It is our hope to collaborate with retailers, beauty professionals and other dedicated association partners that share the vision of excellence in creating a superior shopping and beauty experience for the multicultural consumer.

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To help mass retailers better serve their multicultural beauty consumers, MMR recently assembled a panel of experts for a virtual discussion of the category.

The panelists:

Courtney Adeleye, founder and chief executive officer, *The Mane Choice* • **Lisa Brown**, founder and president, *Lolique* • **Mahisha Dellinger**, founder, *Curls LLC* • **Richelieu Dennis**, founder and CEO, *Sundial Brands* • **Juan Carlos Dominguez**, president and CEO, *JJJ Distributors* • **Eddie Jhin**, president, *Jinny Beauty Supply* • **Larry O'Malley**, director of sales and marketing, *J. Strickland & Co.* • **Jonathan Tiram**, vice president, *Ecoco Inc.* • **Jolorie Williams**, vice president of marketing, *Revlon Professional Brands/Creme of Nature*

Additional comments were provided by Global Beauty Alliance members. They are:

PBailey Group president Pat Bailey • **NaturallyCurly cofounder Michelle Breyer** • **Results Sales Marketing president Elsie Cardell** • **The Chapman Edge president Roz Chapman** • **Strength of Nature global marketing director Charlene Dance** and **president Mario de La Guardia** • **Johnson Associates Marketing president Deborah Johnson Hall** • **Sophisticate's Black Hair editor in chief Bonnie Krueger** • **McBride Research Laboratories' Cornell McBride Jr.** • **RER and Associates president Renee Reynolds** • **M.V. Roberts Distributing president Michael Roberts**

How to Connect With Multicultural Beauty Consumers

MMR: Describe the opportunity you see for mass retailers with regard to beauty products designed to meet the needs of multicultural consumers. As America evolves into a “majority-minority” country, how can retailers ensure that they are addressing the beauty needs of multicultural consumers?

WILLIAMS: There is a huge opportunity for mass retailers to carry more products for today's multicultural consumer. She is not a monolith but varies in terms of her needs and product desires. The best way for retailers to meet the needs of today's multicultural consumer is to listen to them. At *Creme of Nature*, we are on the beauty front lines with an active ear to our consumers so that we can meet her where she is at and plan for what's next for her. To encourage the conversation, we include our customer service telephone number and email address on our packaging and website. We also speak with her via social media with timely requests and responses. We want to know what's important to her, because she is important to us. We participate in consumer-focused in-store events and hair shows, allowing her to meet our hair experts, to show her how to use our products to achieve the latest looks, and we also host focus groups to gain a better understanding of who she is and her lifestyle.

JHIN: With an overwhelming number of product options, consumers must be presented with clear benefits and value propositions. They expect retailers to consistently add new products and brands that meet their unique beauty needs. Multicultural consumers are more likely to purchase multiple items if they value a particular brand. Retailers that increase their portfolio of multicultural beauty

products will increase their foot traffic, consumer loyalty and, ultimately, their bottom line.

One of the biggest complaints from multicultural consumers is the limited availability or unavailability of their favorite products in stores they frequent. Consumers of all ethnicities love the notion of finding all their beauty products under one roof. As the market expands, consumers are expecting to find beauty products that cater to their needs in all establishments, regardless of the store's location. Retailers who properly outfit their locations to handle the beauty needs of both mainstream and multicultural consumers will be poised for success as this market continues to expand.

ADELEYE: There is a big opportunity for mass retailers in regard to the multicultural consumer. The multicultural population has grown tremendously. As the diversity of our consumer continues to progress, this creates new consumers for mass retailers and also



Mahisha Dellinger
Curls

expands the demand for multicultural beauty products. In this regard, focusing more on diversifying and expanding the multicultural aisles in mass retail locations will definitely help to address the beauty needs

of the multicultural consumer. Many multicultural shoppers are now turning towards smaller beauty boutiques for their beauty needs, due to the more intimate setting and extended knowledge base their staff has to offer. By investing more in retail associate training and knowledge about multicultural products and the consumer, mass retailers could truly be at an advantage.

O'MALLEY: We feel mass retailers have a great opportunity to address the needs and product desires of the growing multicultural consumer market. As America evolves into a “majority-minority” it is important to keep in mind that this will not be made up of only multicultural consumers but will also include cultures and individuals of existing ethnicities with a different set of specific hair and beauty needs. While there is an opportunity to address the needs of this growing multicultural community, we and retailers alike cannot lose focus on still providing products and the opportunities that address the needs of existing, growing ethnicities and cultures that will continue to be represented in the marketplace.

BROWN: Multicultural consumers are rapidly becoming the core of the U.S. population. Today they account for more than 120 million people combined (38% of the total population) and 92% of the total population growth from 2000 to 2014 came from multicultural consumers. But rather than just a demographic shift, the rise of the multicultural consumer is a lifestyle shift from more homogeneous groups to multidimensional groups that may share preferences and values. Growth in predominantly multicultural markets is also giving rise to new beauty needs for both the

workplace and the play place.

According to Nielsen, multicultural shoppers are culture-driven and younger than the rest of the population, and they are trendsetters and tastemakers across a broad range of cat-



Courtney Adeleye
The Mane Choice

egories, from food and beverage to beauty products. They are expressive and inclusive, which very often allows them to simultaneously maintain their cultural heritage and yet see themselves as part of the new mainstream. Connected and mobile savvy, multicultural consumers use their smartphones and other devices at much higher rates and more intensely than their non-multicultural counterparts.

In terms of growth, Kline notes that growth in the multicultural beauty products market continues to outpace the overall market, expanding at 3.7% in 2014, within an estimated \$400 billion global beauty industry.

For the beauty category, the opportunity for the retailer is to understand the shared needs and values of this growing and diverse consumer base, their cultural essence per se, and then fulfill those needs by capitalizing on the innovation that is now so fluid across the globe. Historically, brands and retailers focused their efforts on specific ethnic groups, but

as this multicultural consumer emerges, visual cues and products will need to address unique beauty needs (e.g., textured hair) instead. Communication will also need to be real-time and relevant, reflective of the culture and up to date in terms of language, trends and delivery.

DELLINGER: Given the fact that the U.S. is evolving into a “majority-minority” country, mass retailers have an opportunity to capture the attention of the soon-to-be majority by servicing and catering to her entire lifestyle, beyond beauty. How can a retailer do so? The only way to create an authentic, multicultural retail experience, retailers must partner with more minority-owned businesses. As the founder of *CURLS Beauty Brands*, I didn't have to create a series of focus groups to determine what our natural hair customers are looking for. I am the customer — therefore, I intrinsically understand her needs.

Multicultural consumers want to know the roots of the brands they support, and they find pride in the fact that they are part of a cause and can support brands from their communities.

TIRAM: Quality always prevails. When something is good quality, everyone of all backgrounds can agree. Offering consumers high-quality Made in the USA products is an effective way to communicate that you care about your customers and their needs.

DOMINGUEZ: Multicultural consumers are already a large sector of the buyers in the mass retailers' stores. However, in many cases the consumers are leaving the mass retailers without purchasing their beauty products because the

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mass retailers are not putting the correct product mix on the shelves (we look for products from our countries, not just a Spanish label). If they seek out wholesalers that specialize in these products, such as JJJ Distributors, they will be able to increase the sales with their current customers as well as acquire new Hispanic customers. We have noticed a crossover trend as African-Americans are also embracing these products because of their natural origin and benefits versus chemical products.

DE LA GUARDIA: By collaborating with the Global Beauty Alliance (GBA) — the combined voice of the multicultural beauty industry — to better understand the history of the multicultural beauty industry, the most current demographic and psychographic trends, by inviting our experts to speak at NACDS, Food Marketing Institute and other industry meetings and conferences. GBA members and supporters represent hundreds of years of expertise in merchandising, promotion and shelf management.



Bonnie Krueger
Sophisticate's Black Hair

Most importantly, we are in the community. Our brands need more shelf space and more access. Our loyal consumers can increase retailer total shopping purchases (prescriptions, photo, grocery, cosmetics and technology products). Our U.S.

customers represent America's fastest-growing consumer populations. Globally there are millions of people of African descent with curly, coily and textured hair. Most importantly, according to IRI, the multicultural (ethnic) beauty category is growing at 10% annually.

DANCE: The retailer must work to reach the consumer before she enters the brick-and-mortar experience. There are four pillars of consumer engagement that can create success at the retail level. Content is king. Retailers have to work on creating messaging/visuals that convey respect and understanding of multicultural consumer needs and desires as it relates to shopping for their beauty products at more than the store level. Consumers should be marketed to via their top forms of communication (digital, print, grassroots, TV) so they can view the retailer as a shopping destination for beauty. Consumers will travel further for a better shopping experience. Where you place content via digital, print and grassroots efforts must be in spaces relative to the multicultural consumer. Retailers should contract with multicultural media buying outlets that can enable them to make buys that are consistent and create top-of-mind awareness campaigns. Utilization of influencers and tastemakers to create national campaigns drive consumers into the store so they can experience the "new" multiculturally appropriate shopping destinations. Influencers are the best resource to help with engagement. Tastemaker consumers can become the ultimate marketing tool to mass consumers.

Place products that will sell. Create an e-commerce and brick-and-mortar business that has the brands consumers want. Ensure brand mix has high awareness. If selecting new brands ensure a high percentage of intent to buy and create a competitive set.



Elsie Cardell
Results Sales Marketing

MMR: How are the needs and product preferences of multicultural consumers evolving? In what ways do those changes mirror general market trends (a growing interest in natural ingredients, say)? Are there ways in which the changes are unique to multicultural products and consumers?

DELLINGER: We have noticed a shift in product preferences, unique to the multicultural consumer. Now that she has mastered her texture, she is experimenting more with color and is going for the gold ... literally. As result, reparative hair care products are a new need to help her treat and care for her colored tresses.

ADELEYE: The needs of the multicultural consumers are evolving in many ways. Many foreign residents are migrating across the globe. The mixing of various populations produces a variety of consumer needs. Parents of multicultural children are now dealing with beauty needs that they are not entirely familiar with. This unaccustomed need urges the consumer to explore and research products and ingredients that satisfy their desires. This then gives the consumer enough insight into what it takes to gratify their needs. Many of the multicultural consumers are now choosing more natural and/or premium brands, which has definitely evolved

over the past few years.

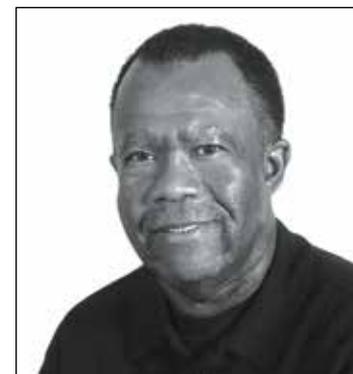
TIRAM: The term multicultural has become a thing of the past. Consumers are now focusing on hair type and what works for them. That is why you see an emphasis on natural ingredients, because consumers are identifying the ingredients that work for their needs rather than who makes them. As America evolves into a majority-minority country, as you put it, the product categories become more blurred and quality becomes an important factor. The overall landscape of consumer products is more transparent than ever, and this is unique across all categories.

WILLIAMS: The product needs of today's multicultural consumer are evolving as we, the suppliers, are testing more ingredients for products that meet her various needs. Today's multicultural consumer is like the general market consumer: She wants products that work from a brand that she can trust. Creme of Nature is over 30 years old, so the same consumer who started using our products years ago still is and has now introduced it to her daughter and, in some cases, her daughter. She loves knowing that her favorite products are formulated with natural ingredients including argan oil, coconut oil, shea butter and acai berry in delivery systems that work to strengthen, hydrate and protect her hair. It's important for the formulations to work on all hair types — curly, wavy, kinky and straight — because she likes to mix up how her style is reflected in her hairstyle choices. She also loves to learn about her hair via YouTube and other social media sites, so it's important to us that we maintain our social media platforms with the latest tutorials and how-tos as well.

O'MALLEY: We believe the needs and product preferences of all consumers are constantly

evolving. Whether this is based on hairstyles and trends, product innovation or emphasis on natural ingredients, consumer preference is always changing. We don't believe this is unique to multicultural products or consumers but is seen throughout the hair care and beauty industry as all consumers seek out products that address their specific needs or individual desires.

DOMINGUEZ: Hispanic consumers have been a major part of the continued increase in beauty sales. Many experts feel that if it weren't for the Hispanic sales the industry would be in decline. For Hispanics, it's part of their culture to spend on beauty products, for both



Michael Roberts
M.V. Roberts Distributing

women and men. Hispanics are trending towards products with natural ingredients nowadays, as we are more informed of the dangers of chemicals in our daily lives. Hispanics take their health and beauty very seriously.

BROWN: The purchase behavior of multicultural shoppers is not linear and cannot be grouped into one bucket. It is influenced by many aspects of their life, such as their family's product preferences, their degree of urbanized living, their age (multiculturals are younger) and in the case of immigrants, their country of origin and their level of acculturation. Also,

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for bicultural consumers, their product preferences and shopping behavior are influenced by the ancestry with which they better identify.

That being said, as beauty consumers, there are a lot of parallels with general market trends and, for the most part, multicultural consumers want the same thing — to look younger and feel beautiful. Following are some general market beauty trends that are being adopted by multicultural consumers:

- Clean, natural products or natural ingredients — Consumers everywhere are gravitating to more natural products across all categories, but nowhere is



Roz Chapman
The Chapman Edge

it more prevalent than in the multicultural hair care category. This trend is especially important for African-American and Hispanic consumers as they move away from relaxers and embrace their natural curls. Far from being a fad, this trend has propelled the multicultural hair care category to double-digit growth over the past five years, and forced retailers to redesign their shelves and completely change their product offering. Retailers that have been at the leading edge of this trend have seen stellar growth and exceptional product turns from a historically niche segment.

- Hair extensions/weaves and wigs — The need for these products from a mass standpoint is being met best in the beauty supply channel. This is probably due to the high SKU level needed to meet consumer needs, as well as the servicing needed for wigs. Many multicultural celebrities have been sporting weaves for years as a way to deal with the many hair issues they face — from dryness to breakage.

- Eyebrow contouring and eyelash extensions — From J-Lo to Estelle to the Kardashians, celebrities are embracing this trend in a big way. Multicultural consumers are doing the same, and products to achieve these looks are now a staple in beauty supply and specialty retailers across the country.

- Vibrant hair color and make-up hues — With rainbow hair

and blue eye shadow trending, lipstick is not far behind, and we are beginning to see shades of blues and purples, as well as a revival of the dark browns. Multicultural consumers are following the lead of celebrities like Kesha, Tyra Banks and Rihanna, whose vibrant hues have been splashing magazine covers this season.

JHIN: The best retailers send a clear, confident message to the customer that his or her needs will be satisfied. This message is reinforced by all aspects of the store's environment: the store's appearance, sales associates, product selection, prices, merchandising and advertising. Retailers also need to consider the social aspect of multicultural consumers' shopping experience. Associates who are friendly and engaged, who can identify with customers and who are enthusiastic about their job and the products they sell can significantly enhance the shopping experience.

However, this experience must start before the consumer steps foot in the door. Retailers must engage the consumer on their preferred medium, which is digital media. Multicultural consumers routinely research the retailer's selection of available products prior to visiting the store. Optimizing this channel is not only a great way to connect to the multicultural consumer but it's also a great opportunity to collect valuable sales data. Even if you don't currently carry the products they're seeking, you have an opportunity to learn how you can serve them in the future.

Together, these elements define the retailer's brand and create equity in the minds of customers. People spend money when and where they feel good. Research has confirmed this to be true. When customers enjoy the shopping experience, they will spend more time browsing in the store and they are more likely to make discretionary purchases.

BAILEY: Introduced almost 20 years ago, category management was defined as a "retailer-supplier process of managing categories as strategic business units, producing enhanced business results by focusing on delivering consumer value." The definition has been expanded and modified over the years, with the focus remaining on consumer value operating as a business.

The business of where a hair care item by ethnicity should be grouped is a viable point and is answered at the tactical level of a category management plan after addressing the strategy of the department. If a retailer is committed to serve the customers that make up a



Pat Bailey
P Bailey Group

given trading area, then the hair care strategy will comprise serving the needs of the immediate community. While retailers can embrace a curly or textured hair section, the products needed for Caucasian, Hispanic and African-American hair are different. Manufacturers formulate products for African-Americans hopefully to address their dry need states. Dry hair among other cultural groups will be different unless their hair has been modified by the use of hair color. African-Americans have a physiological need for products designed for their inherently dry hair and curly/wavy hair. Utilize a store-specific marketing strategy, where the hair care section is respective of the individuals that reside in that specific store geographic footprint, known as the neighborhood. In African-American dominant areas, the ethnic section is the hair care section.

The grocer typically gets it right. They generally carry an assortment based on cultural conditions and address product assortment by cultural cues received from the community. Today, we see Asian, Hispanic and Southern food cuisines respective of the African-American taste palette. The multicultural consumer wants the retailer to be a part of the community



Renee Reynolds
RER and Associates

with a product assortment respective of their specific culture and hair type which drives their consumer needs.

The traditions of the past, with the mind-set of providing food in community based on cultural cues, need to transition to hair care.

ROBERTS: A welcome footprint for a multicultural consumer begins with executive leadership. If the leadership does not address diversity and inclusion within their respective organizational structure down to store level, loyalty and respect will be hard to translate into product assortment, promotions and community relevance. There are an estimated 85 manufacturers, 120 active brands and 2,100 SKUs. Visual representations and on-shelf education will be required to help consumers identify which products will work with a specific hair texture, type and style choice. If a retailer is committed to serve the customers that make up a given trading area, then the hair care strategy will comprise serving the needs of the immediate community. Visual representations and on-shelf education will be required to help consumers identify which products will work with a specific hair texture and type, and style choice.

MMR: How can the beauty shopping experience for multicultural consumers be enhanced in retail stores?

DENNIS: I have often said over the last 20 years that the beauty aisle is the last place in America where segregation is still legal, and separating "beauty" from "ethnic" has only served to further perpetuate narrow standards of what is considered beautiful in our industry and our society — which is why we began leading the efforts to break down those walls. Our #BreakTheWalls movement is about so much more than selling shampoo, or lotion, or cosmetics. We're advancing a mission and vision to change the social dialogue about how we're looking at beauty as a society and how those archaic structures and views are debilitating to the establishment of new and more inclusive ways of viewing beauty — whether in the images we see or in the aisles that divide.

#BreakTheWalls is an extension of SheaMoisture's focus on what it has coined as the New General Market and ensuring that all consumers, especially those who have been traditionally underserved, have an enhanced product and shopping experience based on being served according to their needs, not traditional segmentation. This problem-solution approach, defined by inclusion and commonalities via need states, is shifting the way CPG, retail and other consumer companies approach product development, marketing and merchandising to serve all consumers in a much more elevated way. As a result, many retailers have increased efforts

to enhance their assortments and merchandising to reflect more inclusion in the near term, while working with consumers to gain insights and learnings that will help them determine the next level of changes that are ultimately needed to meet their customers' needs.

SheaMoisture's call to "break the walls" is the first of its kind in the beauty industry, and it has been an imperative for the brand since its inception — because of our refusal to conform to traditional merchandising segmentation and our efforts to ensure that women who had been underserved by the beauty industry had ample access to an assortment of products to meet their lifestyle needs. Creating an enhanced and more inclusive beauty experience has been a charge that SheaMoisture has led directly through engagement with our retail partners and with our diverse community of women around their needs and desired experiences — particularly wanting an experience which didn't ignore or devalue the needs of women with textured hair — whether wavy, curly, kinky or coily.

DELLINGER: A decade ago, the beauty aisle options for the multicultural customer were limited; fast forward to



Lisa Brown
Lolique

today and the aisles are beaming with brands made just for her. How does she determine what product(s) to pick up if she hasn't seen the latest YouTube video by a top influencer, or isn't on Instagram? Education and experience can help enhance retail sales and customer relationships. She needs product education to help her sort through the sea of shampoos and mounds of moisturizers. Some retailers have experimented with aisle education, but no one has mastered it. Help her make the best product selection at the point of purchase. Once she has found the best product selections for her needs, offer vendor sponsored samples so she can also experience her selections.

ADELEYE: The shopping ex-
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 experience of the multicultural consumer can be enhanced by allowing the multicultural aisles to mimic the general market aisles. Such as, by adding more visibility to the products via lighting and size expansion. Giving the multicultural consumer a vast variety of products to choose from. Being aware that the multicultural consumer resides in all areas of the world, not just in highly populated multicultural areas.

BROWN: There are many nuances that contribute to how multicultural consumers make product decisions. Understanding their culture, their family history and their social cues will assist retailers in providing a best-in-class shopping experience. This should include product innovation and assortment, personalized communication efforts and promotional strategies, and appropriate pricing.

Specifically, retailers need to tailor their assortment to the multicultural group that is predominant in each store. This could mean more relaxers in rural stores in the South and more polishers and shine products in



Deborah Johnson Hall
Johnson Associates Marketing

the West. They need to "know the language" of the group to whom they are communicating. They need to understand what's important to specific cultural groups, and also ensure their communication isn't offensive to that group in any way.



They need to be culturally relevant to that group so they feel inclusive without being singled out. Their efforts need to be consistent and ongoing, as consumers today are bombarded with stimuli to attract them and their wallets. Retailers should also be cognizant of the income level of their predominant multicultural consumer group. Again, rural stores in the South may not sell as many high-end styling products as an urban store in New York City.

Retailers that consistently deliver the right product in the right store with the right message will gain consumer loyalty, household penetration and repeat purchases. Our research shows that word of mouth is one of the most important factors for multicultural consumers in making a beauty purchase, so making it easy for consumers to "share" their experience with their friends and family will also build retailer traffic.

WILLIAMS: Having a wide assortment of products for the multicultural consumer to choose from is important because — from skin care to hair care and everything in between — she has a wide variety of needs. Having a dedicated section to house these products gives her the ability to see all of the offerings for her hair type — whether she's relaxed or natural. It would be nice to have retailers consider more products on the end-caps to draw consumers into the aisles and really make them stand out.

JHIN: Multicultural beauty products should be grouped all together in major retail chain stores. But also within this special group, there needs to be a subsection of items that pertains to those different types of hair textures so the consumer will be able to find his or her products easily. Introducing category-specific planograms within this group is an excellent idea, and I'm sure manufacturers — and, more importantly,

the consumer — will welcome it. Today's African-American consumer is very informed and they can quickly identify products specifically designed for their unique hair textures.

Currently, major retail chain stores are mainly a convenient



Juan Carlos Dominguez
JJJ Distributors

point for many multicultural/ethnic consumers, so if they truly understand their position in the marketplace, they should be asking themselves, "How can we become somewhat of a destination point for these multicultural/ethnic products for consumers?" In years to come, this newfound revenue will be worth billions to any retailer who wants to pursue this route.

O'MALLEY: The beauty shopping experience can be enhanced for multicultural consumers by providing them with a welcoming environment and easy, direct access to an assortment of products that meet their needs. All consumers, multicultural, African-American or other ethnicities, want to have the best shopping experience available, including maintaining product sets that continue to address their hair and beauty needs. The bottom line is that consumers, be it multicultural, African-American, other ethnicity or general market want to find the products that they feel will meet their hair and beauty needs. The more difficult it is to find those products, the less likely they will be to stay on that particular aisle or return to that store to make their purchases.

DOMINGUEZ: The stores need to carry bigger sections of well-known brands integrated into aisles rather than just a four-foot section somewhere in the store. Promotions and end-caps give the Hispanic consumers a real feel that they are being catered to. Again, products from their country of origin are really what we look for.

TIRAM: I believe product placement should be based on sales performance of an item. If the item sells well, then it should have priority placement. Regarding grouping products for certain consumers, there are

certainly advantages, and many consumer surveys suggest they like grouping. However, with the categories and population becoming more blurred, I think products in the African-American set can often be overlooked and pigeon-holed, and this creates missed sales opportunities, which directly affects customer satisfaction.

CHAPMAN: Retailers should use appealing signage that pictures models and families that look like this consumer. Advertise to her and hire personnel that look like her. How can they meet the needs of these consumers and make them loyal customers? Make the personal care section a destination by keeping it fresh with current trend and advertised items at a price point that can be reached by all.

CARDELL: Provide current and relative offerings along with specific merchandising efforts using graphics, images and languages.

MMR: To what extent should multicultural beauty product displays vary by store location, in terms of both the breadth of assortment and the types of products available? Is there a minimum assortment that any store should carry?

O'MALLEY: The extent to which multicultural beauty product displays should vary by store or assortment really comes to a question of who is shopping that particular store. Whether retailers accomplish this through demographic studies, store surveys or POS data, the end goal is to meet the needs of each consumer visiting each particular store. The challenge for the retailer is to address the needs of the multicultural consumer while not reducing the availability of product and shelf space for existing African-American or other ethnic groups who already support their stores because they provide the products they need as well.

JHIN: The beauty product assortment should vary depending on the demographic of that city or ZIP code. We must analyze all aspects of the consumer who shops at specific location. What is the age group, the income level, how did you commute to the store, spending amount per visit, what type of product(s) do they generally purchase per visit, and so on in order to display the best selection of beauty products to maximize every centimeter of your shelf real estate.

There really isn't a minimum or maximum that any store should carry, it all depends on your consumer who shops

at that store location. For example, if 30% of your consumers are African-American, and your set is only a four-foot set and your entire store footage is 6,000 square feet, in my opinion, you have not understood this consumer or industry well enough.

Considering the key demographic and setting up the best possible products for that store location will help to build lasting relationships with your consumers, and thus it will increase your overall sales. However, the shopping behavior of the multicultural consumer is an ever-changing model and attempting to quantify it by location can be very difficult, but not impossible.

TIRAM: I believe mass market retailers know their customer base better than anyone and are constantly analyzing their data. The best advice I can give is to know your customer from the community level, not just from the board room. This type of insight will certainly keep retailers competitive.

DELLINGER: The demographics of the store location should dictate the breadth of the multicultural assortment. However the types of products sold should remain constant, to ensure the customer will have her entire beauty needs met.

DOMINGUEZ: The assortment should be based on the demographics specific to the neighborhoods. Not all Hispanics are the same. Again, another reason for using a specialized wholesaler such as JJJ Distributors. We are complex, it's difficult for non-Hispanics to really grasp the scope of our diversity.



Michelle Breyer
NaturallyCurly

Best example I can give is go to different Spanish restaurants and experience for yourself how different the food is from Cuban to Dominican, or Colombian to Mexican, and so forth. The same thing is true with health and beauty care.

ADELEYE: Retail beauty displays should be consistent throughout all retail locations. Beauty aisles should be dis-

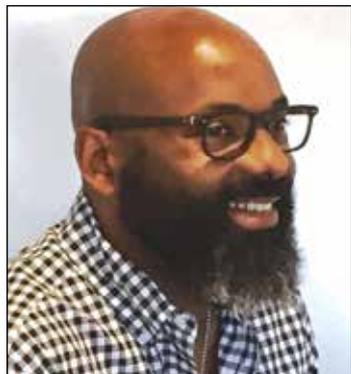
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'Diversity Should Always Remain at the Forefront in Mass Retail'

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played by showing people with different tones of skin and different textures of hair. Displays should always mimic the images of the consumers. Displaying diversity on beauty displays throughout different regions will help bridge the gap between the beauty aisle and the multicultural aisle. The quantity of beauty goods in different regions should be tailored to the population in the region. While keeping in mind that beauty products should be available in all locations that address the needs of all consumers.

WILLIAMS: It depends on the community. In areas where there is a smaller multicultural population, it makes sense to carry the minimum assortment, which should include hair care and styling for both relaxed and natural hair. In areas that are predominantly of color, stores should carry the full range of offerings to better meet their customers needs. For example, in our Textures line we offer a Pudding Perfection Curl Enhancing Creme, Pure-Licious Co-Wash Cleansing Conditioner and Butter-Licious Curls



Richelieu Dennis
Sundial Brands

moisturizer for thicker hair. Our consumers like to cocktail two or three of these together, depending on their curl pattern and desired style, so having one hydrating cream would limit their options and the retailer's sales.

BROWN: Historically, there were more regional retailers who were more closely attuned to the needs of their specific markets. As the industry has consolidated, planograms have become more generic and mass oriented. Aided by real-time technology, today we are able to "know" our consumers much more intimately than in the past. We are able to personalize our marketing efforts, and so, too, retailers can customize their stores to reflect the unique needs of multicultural consumers. Data is much more granular, and neighborhood-level demographics can assist in tailoring both the assortment and the types of products. Shopping behavior also varies, depend-



Jolorie Williams
Revlon Professional Brands

ing on degree of urbanization, transient workforce, nearby military installations and corporations, and should be taken into account.

From a beauty perspective, retailers should be able to cluster their stores using all of the above factors to create a unique assortment that meets the hair care, hair color, skin care and cosmetic needs of the multicultural consumer. For example, a 90% African-American store in Baltimore should have a full aisle of multicultural hair care products, less blonde and more vibrant color and darker shade selection in hair color, an assortment of skin care products to address brightening and dark spots, and cosmetics again with an appropriate shade selection and an array of eyelash and eyebrow products. Multicultural consumers over-index in terms of beauty and personal care shopping, so any store that has a sizeable multicultural consumer base should ensure the above criteria are taken into account when planning in-line and end-cap assortment.

We have worked with key retailers to regionalize their stores based on demographics, geography, lifestyle and consumer shopping patterns. This involves not only the assortment but the specific types of products, the in-store marketing efforts, the focus of the end-caps, and the education of the in-store personnel.

MCBRIDE: Today's multicultural consumer is different because she defines her hair need based on texture and condition versus ethnicity. Her needs are not different from her parents,' but the way to communicate with her is different. Multicultural hair care should not be integrated into the general market section of the store set. A consumer with curly/textured hair has needs and requirements that are different from a consumer with straight hair. Integrating the set could create a confusing shopping experience for the consumer. The multicultural consumer decision extends beyond texture. She may also consider price, premium or prestige/salon when making a purchasing decision.

Speaking texture to the multicultural consumer is part of the evolution that has taken place. Ethnic has always been associated with relaxers or straight styles. As she transitions from relaxers she identifies her hair needs based on texture and condition. Changing the set from ethnic to natural/curly removes the racial boundaries that were excluding some women from shopping in the section. Historically the multicultural set has been smaller than the general market set regardless of the community. Mass market retailers can make a difference by raising the profile of the section with images, wider selection along different price points and improved lighting.

KRUEGER: We know that African-American women desire financial security, a comfortable, safe home and neighborhood, availability of high-quality and wonderful shopping experiences. Retailers need to stock beauty products for the many ways African-American women wear their hair — straight, curly, braided, long, short, relaxed and color treated.

MMR: Beyond carrying the products they are looking for, are there other ways that retailers can make multicultural shoppers feel welcomed and appreciated in their stores? How important is it for retailers who want to maximize their sales with multicultural consumers to make sure these consumers feel that their product needs and preferences are being recognized and addressed?

ADELEYE: Diversity should always remain at the forefront in mass retailing. The retail industry serves the needs of the consumer. Having knowledge about the consumer is key. Making all consumers feel comfortable is crucial, and this is done by having knowledgeable sales associates that can be relatable to all consumers. Management must be conscious when displaying signage and images throughout retail locations to show that beauty is not determined by skin tones or hair textures. They must also acknowledge various cultures during nontraditional holidays and also run promotions with nontraditional holidays in mind. It is extremely important for retailers to make multicultural consumers feel that their needs and preferences are being recognized and addressed. Many multicultural product manufacturers continue to retail their goods via their e-commerce website. If multicultural consumers do not feel they are getting their needs addressed they will seek different avenues to satisfy their needs by shopping

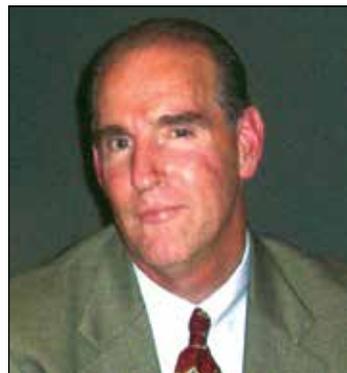
on the retailers' e-commerce website or by supporting more beauty supply chains. The beauty supply chains throughout the world are becoming more and more educated on the needs of the multicultural consumer. If mass retail chains do not effectively learn to satisfy multicultural needs, this will eventually have a negative effect on mass retail.

DELLINGER: First impressions are lasting impressions. A disgruntled customer, on average, will share her experience with 10 people. A satisfied customer may share her experience with two people. You do the math. It all starts with customer service.

The multicultural consumer isn't shy. She knows what she wants, and she will tell you. The question is, are you listening? Are your store employees feeding up the requests from your customers? Are you active on social media and following her trends? Are you partnering with your diversity suppliers to help you engage and understand your customers?

Store signage and images are also important. If she doesn't see any images of her likeness, how will she know that her needs are met? Careful selection of the display images is key. Selecting a stock model image of an African-American woman with curls created with a curling iron for a "natural" hair display isn't a wise choice. The customer will notice the blunder.

BROWN: It is extremely important that this consumer feels wanted and that their needs are being met. They have many shopping options for their beauty needs, so capturing their attention is an ongoing process. Luckily, the rules for satisfying multicultural consumers are not that different than the general population. We all want to be



Larry O'Malley
J. Strickland & Co.

included and made to feel welcome. Multicultural consumers in particular are very in tune with their brands, they understand what the brands represent, and they like to have the in-store experience and view and touch and smell the products.

Stores should be inviting and appealing to the eye, store personnel should be friendly and polite, and have product knowledge specific to the majority group that frequents the store. All in-store communication should be relevant and socially acceptable, with visuals that are appealing to that particular group. Prominent displays of relevant product on end-caps and beacons let them know that the store carries their product and cares about their needs. Promotions should be ongoing and not just specific to a one-off event. African-American consumers want to be spoken to more frequently than during Black History Month, just



Jonathan Tiram
Ecoco

as Hispanic consumers don't only need attention for Cinco de Mayo. Community outreach by stores also shows a caring attitude and builds trust with the consumer. In-store initiatives or product lines that are relevant to the base should be pursued. That could include certified organic, cruelty free or women-owned products. In-store events that engage this consumer and show them that their beauty needs are understood and being met will also be well received and build trust.

Beauty needs are also changing, as we see rising urbanization in non-white or multicultural markets. These consumers are seeking personalized solutions for their work and social activities, and retailers who understand these social nuances and cater to them will win over this consumer.

O'MALLEY: The multicultural shopper is not different than any other shopper in that we all want to feel welcomed and appreciated, especially when we are supporting that store through our purchases. Everyone wants the same thing in terms of price, product selection and quality products that address their needs. Obviously promotions and pricing will help to attract all customers. Store signage and employees can be a large part of the consumer experience by letting the multicultural shopper know they are welcome through signage

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'When the Store Speaks to Her She Will Want to Come Back'

From page 39 that directs them to product that meet their needs and by the overall attitude of the staff on hand. Again this is not something unique to the multicultural shopper; consumers of all backgrounds and cultures want to feel welcomed and appreciated by the retailer while also being assured they can find the products that meet and address their needs and preferences.

JHIN: The best practice retailers can implement is educating their sales associates. Interactive environments in which consumers have access to associates trained across all or several brands will not only increase the value of each associate but also provide a consistent in-store experience for consumers. The multicultural consumer has to be engaged in a manner such that the message received is both suited and specific to them.

Most importantly, retailers can ensure they're meeting the needs of this group quite simply by carrying the products they're actively seeking. Multicultural clients seek the same luxuries that mainstream consumers have enjoyed for decades: Quality, affordability and readily available products that serve their beauty needs. Nothing more. Retailers need to establish a strong relationship with their consumers early so that their store brand loyalty continues to grow and influence the generations after them. Lastly,

authenticity should be the core of any marketing effort. Multicultural consumers can spot pandering a mile away.

DOMINGUEZ: This is very important. If mass retailers are just trying to be "politically correct," providing a small non-specialized section could actually work against them and alienate Hispanic consumers by making them feel they are just being appeased and not truly being catered to. This kind of problem is evident when you go to a store in a neighborhood that is 90% Hispanic and find just a small four-foot section that really does not represent



Cornell McBride Jr.
McBride Research Labs

the particular mix of Hispanics in that area.

TIRAM: It all comes back to quality. If consumers are getting quality products that meet their needs, they will be satisfied. Signage always helps, and em-

ployee customer service as well. People are looking for quality products and quality customer service. This works every time.

WILLIAMS: Consumers love feeling welcome at stores, so when the store speaks to her she will want to come back again and again. Store signage, observance of holidays, store employees who are trained on the various brands and key products along with in-store events that speak to her are all ways that retailers can use to make shoppers feel welcomed. We have recently started inviting some of our favorite bloggers and vloggers to host in-store events with us, bringing in new customers to the stores as well as making her feel welcome while there because she's looking at people that she recognizes by a brand that she trusts. It's important for retailers to speak to all of their consumers via the product assortment and in-store experiences to keep her coming back.

JOHNSON HALL: There isn't anything I've seen or heard across a wide variety of studies on hair care product behavior among black women that has ever suggested that they want their specially designed products integrated with general market products. What they do expect — no, demand — is respect, convenience and a variety of products that offer the styling options they want. A recent mini-group of black

women with both natural and straight hair styles made it clear that they don't want their products diluted, intermingled or hidden among irrelevant products just to make it more palatable for consumers who now realize that some black prod-



Eddie Jhin
Jinny Beauty Supply

ucts can actually work for their hair, too. In fact, these women want their brands more clearly displayed and better stocked for a faster, easier and more enjoyable shopping experience. They want the ethnic section (consumers refer to it as "our section") to be bigger, better lit and visually engaging, like any other beauty aisle. It's a community to them, and "walls" define it, not confine it. It's their space, their place. It caters to them. Black women feel they already have the power to shop in any section that speaks to their needs, and they do so at will. I'm convinced the voice of this shopper, who has turned

the beauty industry on its ear, is still not being heard. In the desperation to capitalize on the phenomenal growth black women produce, I would caution marketers that they deconstruct and further marginalize her section at their own peril.

REYNOLDS: Show customer respect, acceptance and a welcoming attitude. This leads to the store becoming a shopping destination. It's like a romance. Having knowledgeable store personnel people working in the store is an absolute; they should understand this customer's unique needs and desires. Advertising should represent these consumers in POP, flyers, and ads. Inclusion is important, as is competitive pricing and ease of shopping. That means products are laid out the way a person would shop (hair care — relaxers, colors, natural products, lip and nail). Make it easy for the customer to find what she's looking for or needs, and include something she might buy on impulse.

BREYER: Results highlight the power of this consumer in reshaping the hair care landscape, in terms of both greater product availability and the expanded selection at retailers. Our annual market research report, *Texture Trends*, indicated that this shopper spends \$37 a month, or 20% more than straight-haired consumers. Another finding — 50% say a sample encouraged them to purchase a product.

Survey Pinpoints 'Burning Issues' in Beauty

By Lafayette Jones

The entire beauty industry is undergoing seismic shifts in consumer behavior and demands. What was once considered the norm is being completely transformed. Beauty industry thought leaders and members of the Global Beauty Alliance (GBA) have never been so crucial in addressing the critical challenges and opportunities we face in every sector and category of the multicultural beauty industry.

We've entered into collaboration with independent market research firm Johnson & Associates Marketing, which has decades of expertise in hair care research, to conduct an inaugural survey among beauty members. SMSi-Urban Call Marketing commissioned the Beauty Thought-Leaders: Burning Issues Survey in collaboration with the Global Beauty Alliance. In our commitment to be informed, not just passionate, we obtained initial insights and direction as we plan for the future. What follows are some of the study's findings.

Why do we need an association

like the Global Beauty Alliance? Here are some verbatim quotes from the survey:

"An association could help these growing indie brands grow and matriculate through the retail industry faster."

"In an effort to navigate the new global economy it is imperative that entrepreneurs, small and mid-size businesses unite to effectively be engaged with the multinational and super power brands who are driving the decisions."

"We are already in a borderless world with internet and faster exchange of products between the continents. It is a must, not a choice."

"There is strength in unity and potential savings if the organization is formed correctly."

"It is a new global market, with Africa being the last big ethnic market, so the more you know the better for your company's future."

"We need to synergize our strengths."

"Beauty association needs multicultural global leadership with the expertise of collaborating and negotiations when it is needed to the best interest of all constituents of interest."

Participants also identified a number of challenges facing companies in the multicultural category, including the fact that retail buyers often lack category knowledge, the proliferation of brands (including general market products) and the need to connect with new consumers (women age 18 to 29) who interact with products and brands very differently than their older peers.

Other challenges include successfully navigating social media and the blogging community, and keeping multicultural defined as a separate section in retail.

Survey participants identified the top five "burning issues" facing their businesses. They are:

- Expanding into other categories (from hair care into skin care, for example).
- Increasing global sales.
- Developing stronger relationships with beauty salons and barber shop professionals.
- Expanding sales of our multicultural products to the general market.
- The high cost of participating in retailers' promotions.

Over the next three years, GBA member companies see market

opportunities for expansion in a number of areas, including multicultural products, international markets, men's products and skin care items.

Hair care remains the primary focus for GBA members, because the consumers they serve do have unique needs for hair styling and maintenance, and require a variety of products. Among alliance members that make hair care products, 94.4% make products for natural/curly hair, 66.7% make hair care products for men, 55.6% make relaxers, 55.6% make professional products for beauty salons and/or barber shops, 50% make hair products for babies and children, 44.4% make thermal or blow-out products, 27.8% make hair color, 27.8% make hair styling appliances, and 16.7% deal in bulk hair (human and synthetic).

There has been discussion in the multicultural community about how best to describe the category. The survey asked this question: Which of the following names do you prefer for what is now commonly known in the industry as the "ethnic section?" "Multicultural" was the most



Lafayette Jones

popular answer, chosen by half of GBA members. Other popular options included "Textured," chosen by 33.3% of respondents, "Ethnic" (11.1%), and "Multi-texture" (5.6%).

If you would like to join us in future quarterly Burning Issues Beauty Industry Thought Leaders surveys, please contact me at LafayetteJones@gmail.com or Johnson & Associates Marketing at jamresearch@msn.com.

Lafayette Jones is a beauty industry leader and multicultural marketing expert, and convener of the Global Beauty Alliance.