

## Retailers Address Racial Inequality As Consumers Demand Action

Sharon Edelson



*Sephora is the first retailer to commit to allocating 15 percent of its shelf space to products from African-American owned businesses.* GETTY IMAGES

Economic disparity has always been at the heart of the struggle for equality for African Americans. The retail industry, the largest employer in the U.S., has come under scrutiny for everything from its hiring practices to store policies to products, bringing the fight against racism to stores, even as protests continue on city streets.

5 The May 25 death of George Floyd while in the custody of Minneapolis police unleashed waves of demonstrations in cities across the U.S. and reverberated around the world, while the killing of 27-year-old Rayshard Brooks on Friday ignited new protests in Atlanta.

10 The alleged discriminatory practices of specialty retailers have been called out, with Urban Outfitters and its sister brands, Anthropologie and Free People, accused of racial profiling of African American consumers. Walmart has allegedly been keeping black beauty products under lock and key in certain markets, while similar items for white customers are displayed openly.

15 Walmart said it's made the decision to discontinue placing multiracial hair care and beauty products in locked cases, a practice that was in place in about a dozen of its 4,700 U.S. stores.

20 “As a retailer serving millions of customers every day from diverse backgrounds, Walmart doesn’t tolerate discrimination of any kind. Like other retailers, the cases were to deter shoplifting of electronics, automotive, cosmetics and other personal care items,” the company said. “We’re sensitive to the issue and understand the concerns raised by our customers and members of the community.”

“Walmart currently has a strong program where we source over \$11 billion annually from diverse suppliers,” a spokesman said. “We continually look for ways to expand that, to bring additional exciting, innovative products to our customers through our stores and e-commerce site.

25 The retailer said the \$11 billion program applies to a cross section of consumables and general merchandise, as well as professional services.

Brother Vellies<sup>1</sup> designer Aurora James recently put out an open call via Instagram for retailers to devote 15 percent of their shelf space to products from African American businesses, singling out Walmart, Whole Foods, Saks Fifth Avenue, Target and MedMen, among other retailers.

30 “We’re thrilled that Sephora<sup>2</sup> is the first of the four major retailers I called on in my original post to take the 15 percent pledge,” said James. “Sephora is taking a real stand against systemic racism and discrimination and will work with us in our mission to put \$14.5 billion back into the black community.” [...]

35 “We’re working on a few more retailers,” James said, without divulging names. “We’re talking to a handful of other brands that have vocally taken the pledge on social media, and some that are still quiet. We’re working to lay out clear goals and guidelines so that we can announce them in the coming weeks.”

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<sup>1</sup> Trendy US footwear retailer

<sup>2</sup> US cosmetics retailer

Kohl's<sup>3</sup> CEO Michelle Gass said the retailer's near-term initiatives include creating a task  
40 force, which she'll be leading, and working with the diversity and inclusion team to  
"understand what opportunities we have and to hold ourselves accountable for the  
long-term."

Gass said Kohl's will hold a series of internal focus group sessions dedicated to diversity  
and inclusion across the company. The retailer last year kicked off unconscious bias  
45 training plans to roll it out to the entire company in 2020.

Kohl's made a donation for an unspecified amount to the NAACP<sup>4</sup> to help overcome racial  
injustice in the U.S. and is supporting local organizations in its home town of Milwaukee  
that empower under-resourced communities to address disparities head-on.

Gass called the moves "just the start of the conversation," acknowledging that the issue  
50 won't be solved overnight. "It will take time, effort and a lot of work by all of us to create  
meaningful, lasting change, and Kohl's will be a part of that change."

"People are talking about listening and learning and being able to absorb and change," said  
Barrie Scardina, head of retail, Americas at Cushman & Wakefield<sup>5</sup>. "These are hard  
conversations. The big takeaways are that the consumer is expecting companies not to just  
55 post things on Instagram, but to really act. [...]"

Examples of the many brands opening their wallets include Nike, Jordan and Converse  
committing \$40 million to fight racism, and Rent-the-Runway earmarking \$1 million to  
support black designers, and also donating \$100,000 to the NAACP and Black Vision  
Collective to combat racial injustice.

60 "The intention is really good that people want to focus on this right now," said Rob Smith,  
founder and CEO of the Phluid Project, a non-gender online retailer. "Organizations have

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<sup>3</sup> US department store

<sup>4</sup> National Association for the Advancement of Colored People

<sup>5</sup> US real estate firm

to do more. They have to look at hiring practices, mentorship, plans for leadership and board representation. [...]

65 Eddie Rhodman Jr., founder of Rhodman Enterprises, a marketing company for fashion brands, said, “Retailers are losing because they’re not identifying people of color, people of all sizes, and the LGBTQ community. I hope fashion will use this time of change to be an example instead of the norm. We have a chance to define and recreate ourselves. Don’t worry about what everyone else thinks.”

70 “Some of the top brands posted for black-out Tuesday on Instagram, but where’s the follow-up,” Rhodman said. “People like to shop where they feel comfortable. They want to be respected in terms of customer service, products and brands. If you’re treated right, you’ll keep coming back.”

75 Carol Spieckerman, president of Spieckerman Retail, said companies can’t just walk the walk anymore. “It can’t just be tokenism and perfunctory short term fixes,” she said. “At the end of the day, retailers are having to compete against a lot more progressive industries. How serious are they about diversity and empowering diverse groups within their ranks? These are things that were never questioned before. Everything’s under a microscope right now.”