

# Understanding Racial Bias in Retail

Retail is one of society's most interactive institutions—with millions of people from all different backgrounds crossing paths daily. These interactions bring a range of possibilities, and often, instances of racial bias and unfair treatment.

## What is racial bias?

Racial bias is an unconscious or conscious (implicit vs explicit) way of thinking that influences how an individual acts and interacts with people from different racial or ethnic backgrounds. Racial bias is complex.<sup>1</sup>

1. Eberhardt 2019

A Sephora-commissioned study, which explores the disparate experiences in retail across race, socio-economic status, gender, and more, aims to call attention to the inequities that consumers are facing and more importantly, identify actionable solutions to galvanize change for all retailers.

## 5 shopper and employee truths that surfaced from the research

### Truth 1

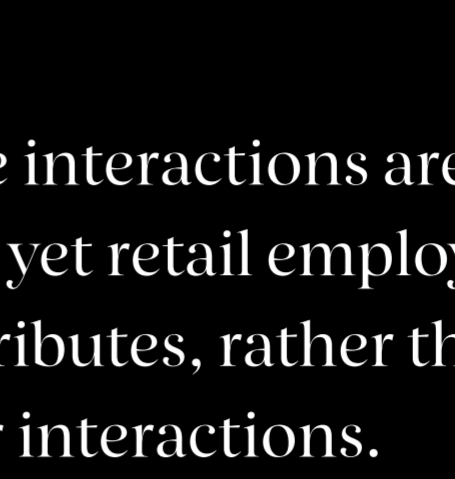
Limited racial diversity across marketing, merchandise, and retail employees results in exclusionary treatment before U.S. BIPOC shoppers even enter a store and continues across their in-store journey.

**Shoppers confront exclusionary treatment before even stepping foot in the store.**



74% of shoppers feel that marketing fails to showcase a diverse range of skin tones, body types and hair textures

**The lack of diversity in marketing is also seen in the merchandise that lines retailer shelves.**



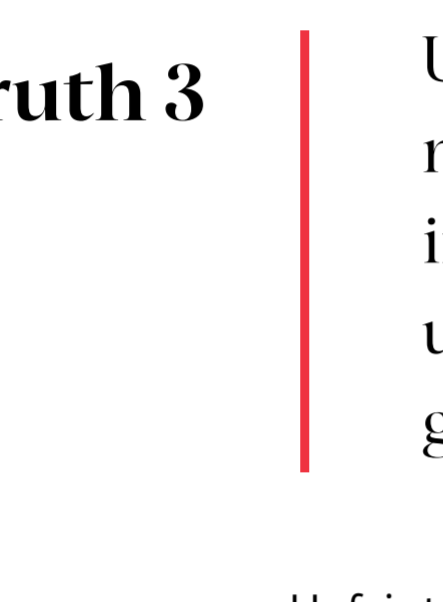
65% of shoppers think stores fail to deliver an equally-distributed assortment of products catering to different shoppers' tastes and preferences.

### Truth 2

U.S. BIPOC shoppers feel in-store interactions are driven by their skin color and ethnicity, yet retail employees are more likely to cite behavioral attributes, rather than appearance, as the basis for their interactions.

While retail shoppers of all races have an experience of feeling judged on the shopping journey, especially upon entering the store, BIPOC shoppers are more likely than their white counterparts to feel most often judged by their skin color and ethnicity.

	#1	#2	#3
Black Shoppers	➕ Skin Color	➕ Ethnicity	Age
LatinX Shoppers	Body weight or size	Age	➕ Ethnicity
Asian Shoppers	➕ Ethnicity	Age	Attractiveness
White Shoppers	Age	Attractiveness	Clothes/Accessories/ Makeup



Yet, despite the experiences retail shoppers report, 60% of retail employees surveyed more often cite shoppers' behavioral attributes rather than physical attributes when determining how to approach or interact with shoppers, underscoring significant disconnect between how shoppers and employees interpret interactions in U.S. retail.

### Truth 3

U.S. BIPOC shoppers use coping mechanisms to minimize or avoid anticipated biased experiences when in-store. While many customer experience needs are universal, BIPOC shoppers have some needs that hold greater importance in helping them feel welcome.

Unfair treatment most often occurs while shoppers are browsing.

**Among retail shoppers who have experienced mistreatment in-store**



3x more likely than during checkout

**Among retail shoppers who have experienced mistreatment in-store**



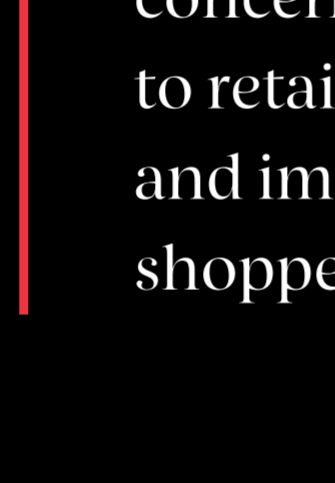
**Given the biases they face when browsing, many shoppers, specifically BIPOC, have adopted coping mechanisms — both preventative and reactive — to help minimize such prejudice, including:**



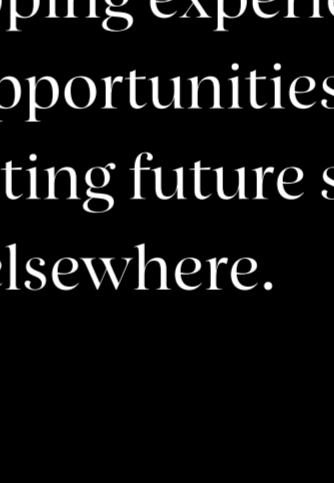
**Shop online** to avoid the interaction altogether, thereby removing the burden of unfair treatment



**Dress nicely**, such as bringing designer handbags to avoid assumptions they can't afford to shop there or will steal



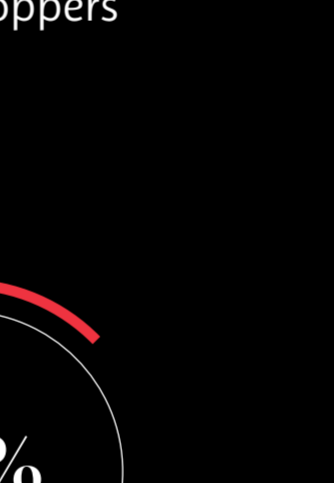
**Don't try samples**, and may even leave purses and bags at home to prevent accusations of theft



**Make a "shopping plan"** to ensure their time in store is efficient with minimal employee interactions



**Adjust their body language**, such as keeping their hands out of their pockets or avoiding browsing altogether



**Interact with employees** to make it known they are interested in spending money

### Truth 4

The majority of U.S. BIPOC shoppers do not voice concerns about negative shopping experiences directly to retailers, creating missed opportunities for feedback and improvement, and impacting future sales as shoppers take their business elsewhere.

**When retail shoppers experience bias, most avoid conflict and stress in the moment.**

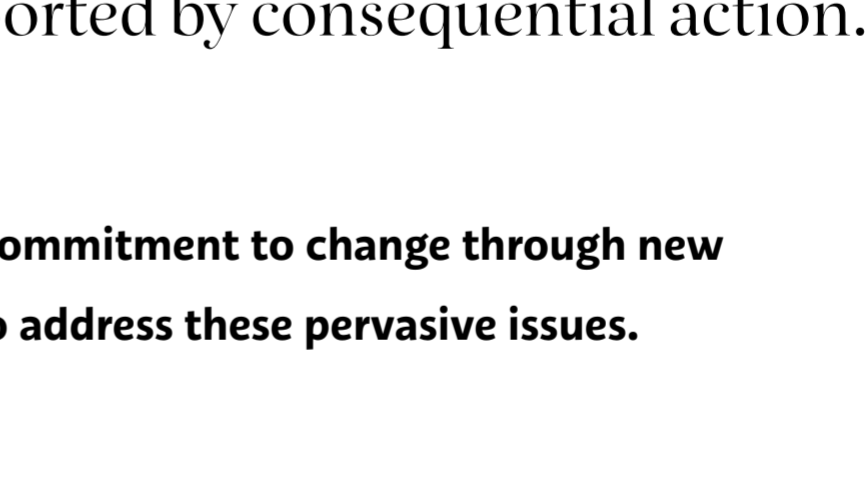
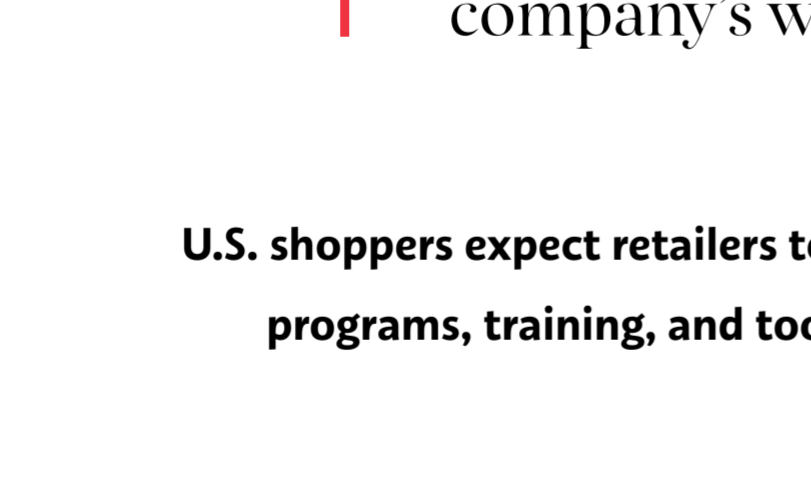
Twice as many BIPOC shoppers than White shoppers say they've been treated unfairly in stores due to their ethnicity



Despite this, BIPOC shoppers are less likely than White shoppers to report that they spoke up about their experience to a manager or store supervisor



These situations can have permanent consequences for both U.S. retailers and shoppers. After experiencing racial bias at a store:



### Truth 5

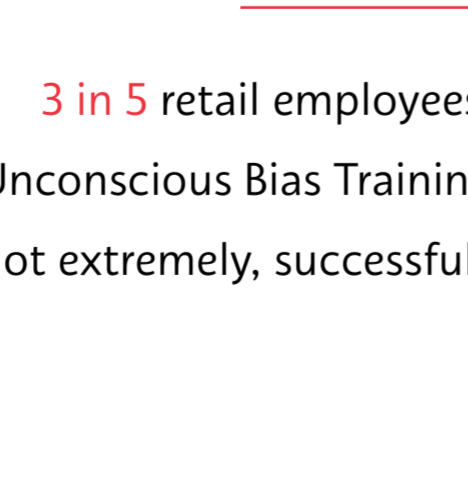
Meaningful and long-term action is most important to U.S. shoppers and retail employees who want to see the company's words supported by consequential action.

**U.S. shoppers expect retailers to show their commitment to change through new programs, training, and tools designed to address these pervasive issues.**

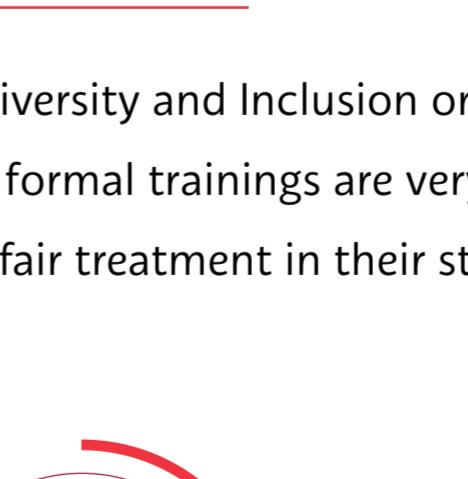


49% of shoppers say they only want to see diversity in marketing if the retailer is genuinely committed to serving diverse shoppers

**Retail employees also want to see the company's words supported by meaningful action.**



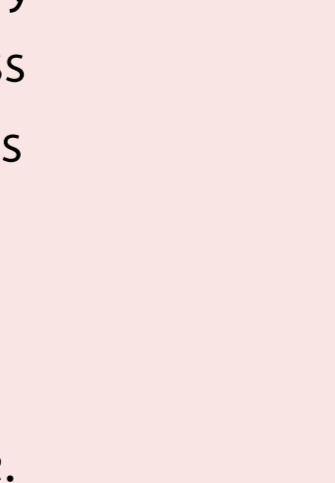
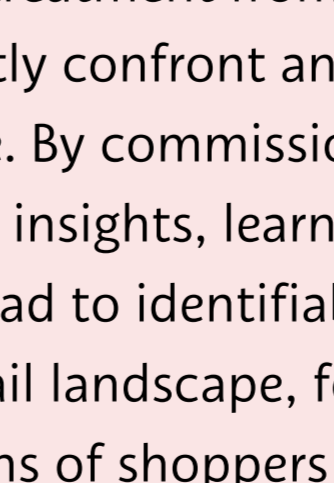
81% of retail employees recognize the importance of being able to service diverse shopper needs



Only 27% feel confident they can meet them extremely well



Despite a clear desire from U.S. retail employees, only 53% have received DEI training, while 40% have received Unconscious Bias Training



## Opportunities to galvanize change

Retailers have a unique – and important – opportunity to remove racial bias and unfair treatment from stores by implementing actions that directly confront and address the inequities that shoppers face. By commissioning this study, Sephora's goal is to share insights, learnings and universal opportunities that lead to identifiable and actionable change in the retail landscape, for the immediate future and generations of shoppers to come.

The eBook below contains actions all retailers can implement, as well as Sephora's unique action plan.

Download the eBook to learn more about the findings and how retailers can act.

The Racial Bias in Retail Report

Presented by

SEPHORA