

# SEPHORA

## SEPHORA IMPLEMENTS NEW ACTION PLAN AIMED AT MITIGATING RACIALLY BIASED EXPERIENCES IN THE U.S. RETAIL ENVIRONMENT

The retailer is making details of its national Racial Bias in Retail Study available to all retailers as it calls for a more inclusive retail industry

January 13th, 2021 / San Francisco – Today, [Sephora](#), America’s leading prestige beauty Omni-retailer, revealed the detailed changes it will implement across all of its U.S. stores in order to mitigate racially biased experiences and unfair treatment for shoppers in the retail sector. This is the latest in a series of actions announced by Sephora to underscore the retailer’s continued commitment to diversity, equity, and inclusion. The plan includes increased diversity in its product offerings and workforce, more inclusive marketing programming, and greater accountability through the institution of updated employee conduct policies. The decisions are based on the results of the first-ever large-scale study on Racial Bias in Retail, commissioned by the retailer.



“At Sephora, diversity, equality, and inclusion have been our core values since we launched a new kind of beauty retail destination in the U.S. over 20 years ago – but the reality is that shoppers at Sephora, and in U.S. retail more broadly, are not always treated fairly and consistently,” said Jean-André Rougeot, President and CEO, Sephora Americas.

“We know that we’re in a strong position to influence positive changes in the retail industry and society at large and it’s our responsibility to step up. We’re committed to doing all we can to make our U.S. retail experience more welcoming for everyone. Today, we are proud to share a first-look at Sephora’s action plan designed to tackle the issue of unfair treatment. We know it will be a journey, but we’re committed to holding ourselves accountable to this mission for the benefit of our clients, our employees, our communities, and the retail industry at large.”

## Racial Bias in Retail Study Commissioned by Sephora

This first-of-its-kind national study was conducted over a year-long period, beginning in the fall of 2019 and ending in late 2020 and was designed to measure the issue of racially biased experiences in U.S. retail, and to identify opportunities to end unfair treatment. Comprised of academic literature reviews, cultural insights analysis and comprehensive qualitative and quantitative research\*, the Racial Bias in Retail Study commissioned by Sephora offers an in-depth look at this important issue.

The research, first and foremost, underscores how pervasive the issue is for U.S. retail shoppers and employees:

- ◆ Two in five U.S. retail shoppers have personally experienced unfair treatment on the basis of their race or skin tone.
- ◆ Black retail shoppers are 2.5x more likely than white shoppers to receive unfair treatment based on their skin color (44% vs. 17%), while BIPOC shoppers are 2x more likely than white shoppers to receive unfair treatment based on their ethnicity (30% vs. 15%).
- ◆ One in five retail employees report having personally experienced unfair treatment based on their race at their place of work (20%)—either from customers or coworkers.
- ◆ One in three retail employees have contemplated quitting when they experienced racial bias and unfair treatment (31% for all employees; 37% for Black employees).

The research identified five primary “truths” that define retail shoppers’ experiences with racial bias, including:

## **Truth #1**

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

Three in four retail shoppers (74%) feel that marketing fails to showcase a diverse range of skin tones, body types, and hair textures, while two in three (65%) think stores fail to deliver an equally-distributed assortment of products catering to different shoppers’ tastes and preferences. Moreover, nearly four in five retail shoppers (78%) don’t believe there is representation in brands or companies that are owned by and made for people of color.

## **Truth #2**

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

BIPOC retail shoppers are 3x more likely than white shoppers to feel most often judged by their skin color and ethnicity (32% vs. 9%). White shoppers, on the other hand, are more likely to cite factors like age (27% vs. 12%) or attractiveness (13% vs. 7%), as the primary basis of the treatment they face.

While shoppers feel they are being judged by their appearance, three in five (60%) retail employees surveyed cited behavioral attributes rather than physical attributes when determining how to approach or interact with shoppers. This gap in perception results in a significant disconnect between how shoppers and employees interpret interactions in U.S. retail.

## **Truth #3**

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

The study also showed there are clear areas where retailers can focus efforts to make the shopping experience more inclusive and welcoming for all. The findings show that BIPOC shoppers have some needs that hold greater importance in helping them feel welcome compared to white shoppers in creating a positive in-store experience, including promptly being greeted and offering assistance when shoppers enter the store, telling shoppers about new products, offers, and services, and having store associates who “look like me.”

## Truth #4

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

Only 30% of shoppers reacted actively to unfair treatment as a means of providing feedback to the retailer, such as publishing an online review or social post about their experience, while fewer than one in five (15%) reported raising the issue with a manager or store supervisor. Even among those shoppers who did provide direct feedback, a majority (61%) were unsatisfied with the retailer's response. These situations can have permanent, economic consequences for a retailer, with 2 in 5 BIPOC shoppers (43%) saying they are unlikely to visit any store location belonging to a retailer where they experienced mistreatment.

## Truth #5

**Meaningful and long-term action is most important to U.S. retail shoppers and employees.**

Both expect retailers to show their commitment to change through new programs, training and tools designed to address these pervasive issues. But this is not often the reality for many retail shoppers who have experienced unfair treatment: BIPOC shoppers are 3x less likely than white shoppers to say the retailer addressed their experience with a change in store policy (34% vs. 11%). And while a majority (81%) of retail employees recognize the importance of being able to service diverse shopper needs, fewer than one in three (27%) feel confident they can meet them extremely well, with many expressing a desire for more training and education to address these gaps.

## Sephora's Action Plan

Coupled with the study's findings and the retailer's all-encompassing *Diversity & Inclusion Heart Journey* strategy, Sephora has designed a preliminary action plan to tackle bias across all aspects of its organization via three key areas.

### Marketing and Merchandising

- ◆ Building on Sephora's [commitment to the 15 Percent Pledge](#), the company will double its assortment of Black-owned brands by the end of 2021.
- ◆ Prominently feature and advertise Black-owned brands through a [dedicated tab](#) on the Sephora website, which is already in progress.
- ◆ Evolve the 2021 Accelerate brand incubator program to focus exclusively on cultivating and growing BIPOC-owned and founded brands.
- ◆ Establish new marketing production guidelines that reinforce consideration of a diverse array of backgrounds, identities, ages and body types in our campaigns, social media, marketing and more.
- ◆ Continue cultivating one of the industry's most diverse influencer groups through the Sephora Squad.

### The In-Store Experience and Operations

- ◆ Roll out a new greeting system across all stores to ensure a more consistent experience for all store visitors upon entry.
- ◆ Create new training modules required for all Beauty Advisors that better define what client engagement should look like at each point in the shopping experience and what behaviors will not be tolerated.
- ◆ Establish a D&I In-Store Experience Dashboard that will provide analytics on client service and feedback to stores on a monthly basis to measure employee training compliance and efficacy.
- ◆ Implement new client feedback mechanisms to better identify incidents of bias, including those experienced by non-purchasers.
- ◆ Reduce the presence of third-party security vendors in stores and utilize more in-house specialists, with the goal of providing better client care and minimizing shoppers' concerns of policing.
- ◆ Implement procedural and operational changes to better allow Beauty Advisors to focus solely on client service, versus other tasks that can create a friction or misperception by shoppers.

## Talent and Inclusive Workplaces

- ◆ Build new recruiting, mentorship, community, and career development programs to support the sourcing, hiring and advancement of employees of color.
- ◆ Building on its Pull Up For Change commitment, Sephora will transparently share progress on employee representation on a bi-annual basis at Sephora.com.
- ◆ Ensure all corporate team members have D&I goals as part of their annual performance metrics.
- ◆ Update zero-tolerance policies that prohibit discrimination, harassment and other violations of our code of conduct to ensure clearer communication, expectation and enforcement of our policies for employees, including set outcomes if violated.
- ◆ Ensure 100% participation with foundational Unconscious Bias training for all new hires.
- ◆ Increase the frequency and depth of employee trainings, adding new modules that offer strategies to identify bias and exhibit inclusive behaviors in the workplace.

In addition to the above, Sephora will continue to communicate its progress against these actions on a bi-annual basis via a new D&I dedicated section of Sephora.com. Sephora also aims to make learnings and opportunities transparent to other U.S. retailers who may wish to enact systemic change within their own organizations. Lastly, Sephora will be partnering with leading trade and diversity organizations Open to All, RILA and Diversity Best Practices to ensure dissemination to interested retail leaders.



**“We’re proud of the work we’ve done thus far to make diversity, equity, and inclusion a priority for the company. We are stronger as a retail community when we are serving the needs of all of our shoppers, and hope other retailers will join us, with the ultimate goal of advancing inclusivity and improving the retail experience for all.”**

– Rougeot

### Learn More

To learn more about the Racial Bias in Retail Study commissioned by Sephora including downloadable materials detailing methodology, an infographic and our academic and research partners involved, please visit [www.sephora.com/diversity-and-inclusion](http://www.sephora.com/diversity-and-inclusion). To join the movement, retailers can reach out to [sephoraIN@sephora.com](mailto:sephoraIN@sephora.com). Special thanks to Sephora’s academic and research partners in the undertaking of the Racial Bias in Retail Study, including [Dr. Cassi Pittman Claytor](#), Dr. David Crockett, Whitney Dunlap Fowler, [Dr. Patricia Raspberry](#), [Kelton Global](#), [Values Partnerships](#) and [LRW](#). Special thanks also to Sephora Equity Advisors and Partners, a coalition of 25 leading individuals and organizations in the field of social justice and racial equity.

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### ABOUT SEPHORA AMERICAS

Since its debut in North America over 20 years ago, Sephora has been a leader in prestige omni-retail with the purpose of creating an inviting beauty shopping experience and inspiring fearlessness in our community. With the goal of delivering unbiased shopping support and a personalized experience, Sephora invites clients to touch and try 25,000 products from 400 carefully curated brands, enjoy services at the Beauty Studio and engage with expertly trained beauty advisors in more than 500 stores across the Americas. Clients can also experience Sephora online and through our mobile app, access the free-to-join Beauty Insider program and digital community, which together enhance the experience of Sephora’s passionate clients. Sephora has been an industry-leading champion of diversity, inclusivity, and empowerment, guided by our longstanding company values. In 2019, Sephora announced a new tagline and manifesto, “We Belong to Something Beautiful,” to reinforce its dedication to fostering belonging amongst all clients and employees and to publicly strive for a more inclusive vision for retail in the Americas. Sephora continues to give back to our communities and advance inclusion in our industry through our Sephora Stands social impact programs.

For more information, visit: <https://www.sephora.com/about-us> and @Sephora on social media. For media inquiries, please visit our [Sephora newsroom](#) or email [pr@sephora.com](mailto:pr@sephora.com)