

Discover the Black Consumer

Diverse voices

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Black consumers are

Tastemakers

A large, growing population.

48.2M Black Americans live in the US. This is 14% of the population.

Tremendously diverse.

Learn more about the different personas of the Black American.

Increasing educational attainment.

Almost 20% of Black graduates attended Historically Black Colleges/Universities.

Relative Youth.

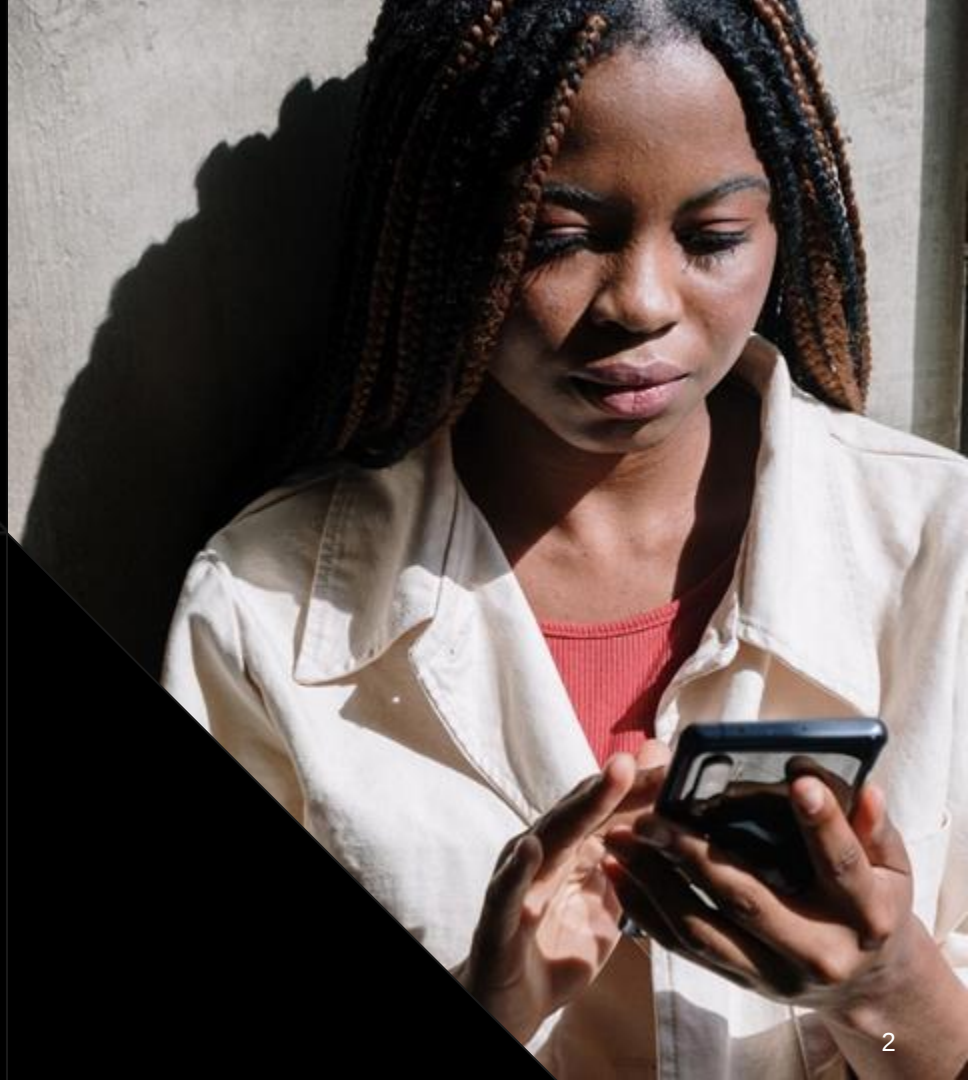
Over half of Black Americans are under the age 35.

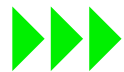
Increasing affluence.

Purchasing power expected to top \$1.8 T by 2024.

Vocal and driven.

Cultural identity is important.





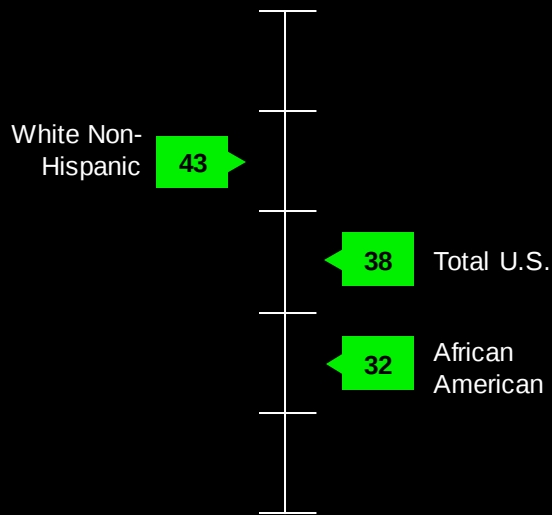
48.2 M

African Americans in the U.S.

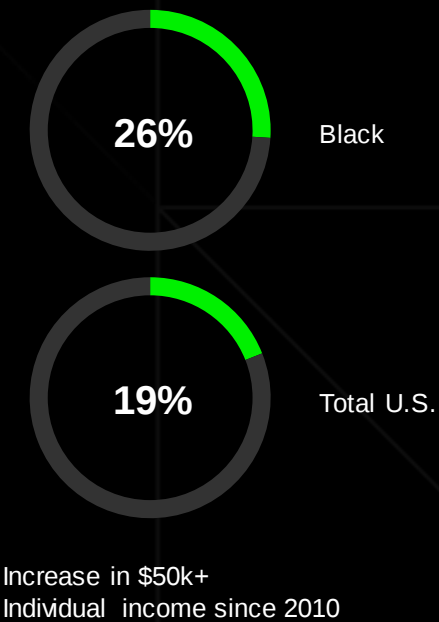


Relatively youthful and dynamic group

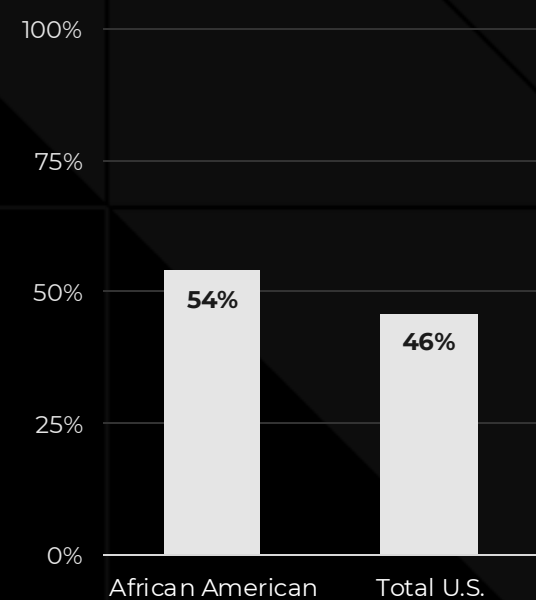
Median age



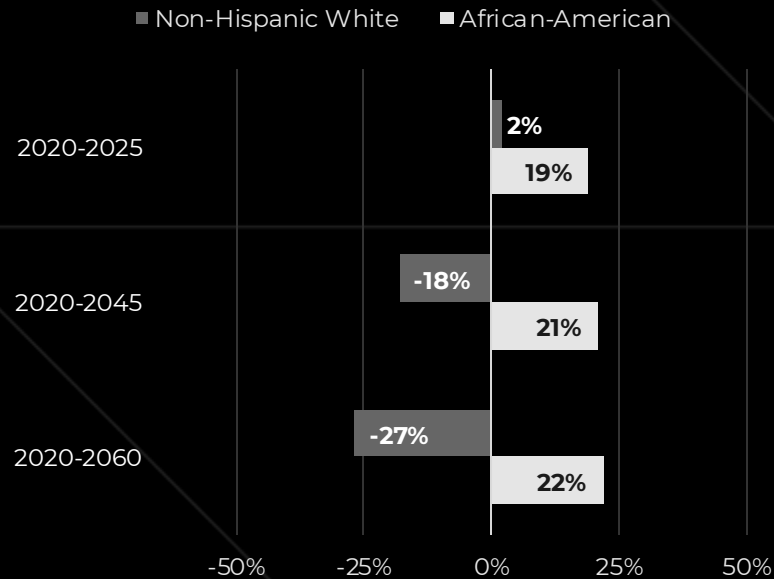
% Increase of high-income households



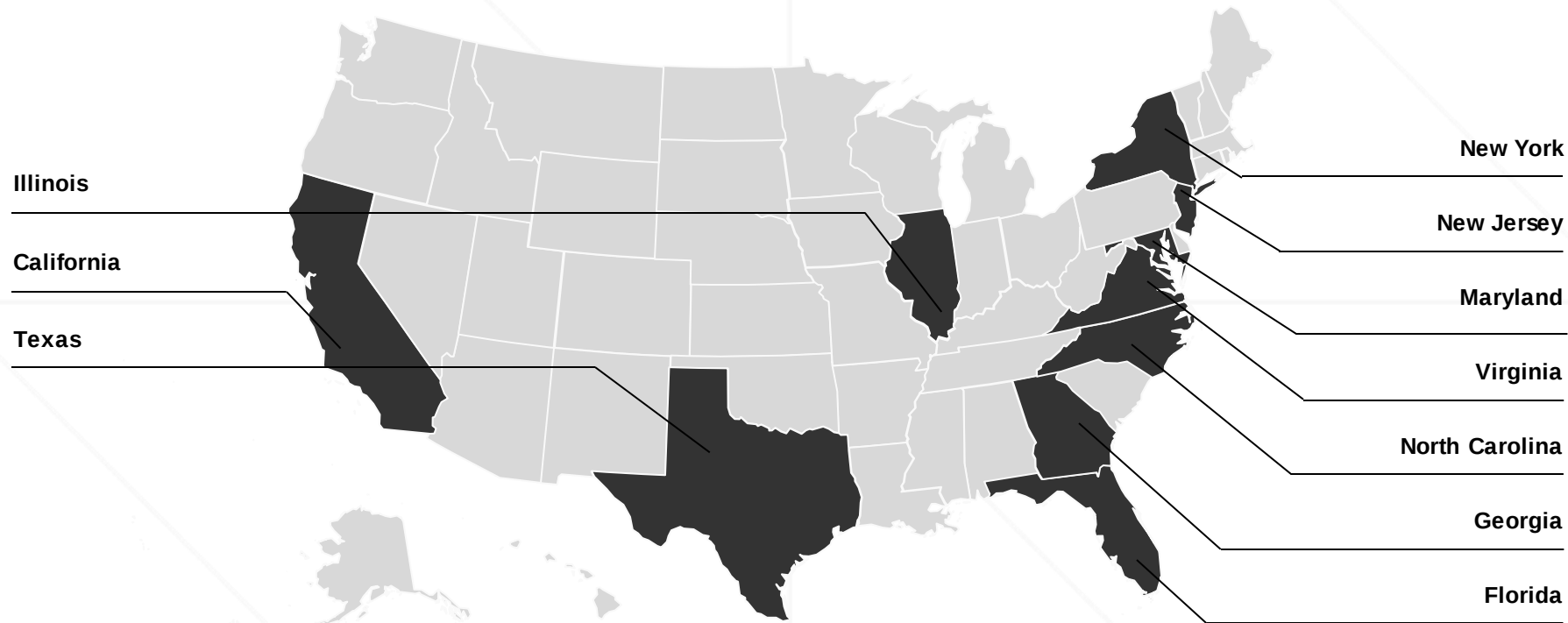
Age % under age 35



African American population growth



Top 10 African American markets



African American U.S buying power



Projected to be \$1.8T by 2024

North Dakota
304.6

South Dakota
103.5

Montana
80.0

Washington
65.7

Idaho
86.2

Wyoming
111.5

California
\$96

Utah
61.1

Arizona
60.1

Colorado
59.5

Illinois
\$53

New York
\$115

New Jersey
\$47

Maryland
\$95

North Carolina
\$62

Virginia
\$55

Georgia
\$96

Florida
\$95

Texas
\$117

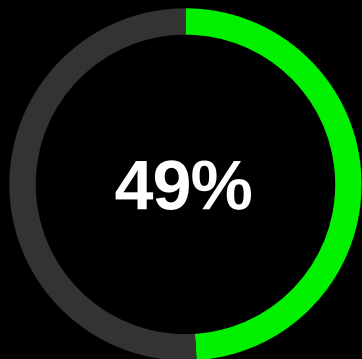
Hawaii
94.7



Between 2000 and 2018 black buying power rose **114%** compared to an 89% increase in white buying power.

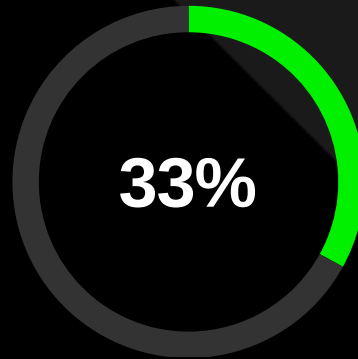
Household finances remain compressed

Many consumer expect further deterioration



Financial situation **worsened**

Much/slightly worse: youth and low income households

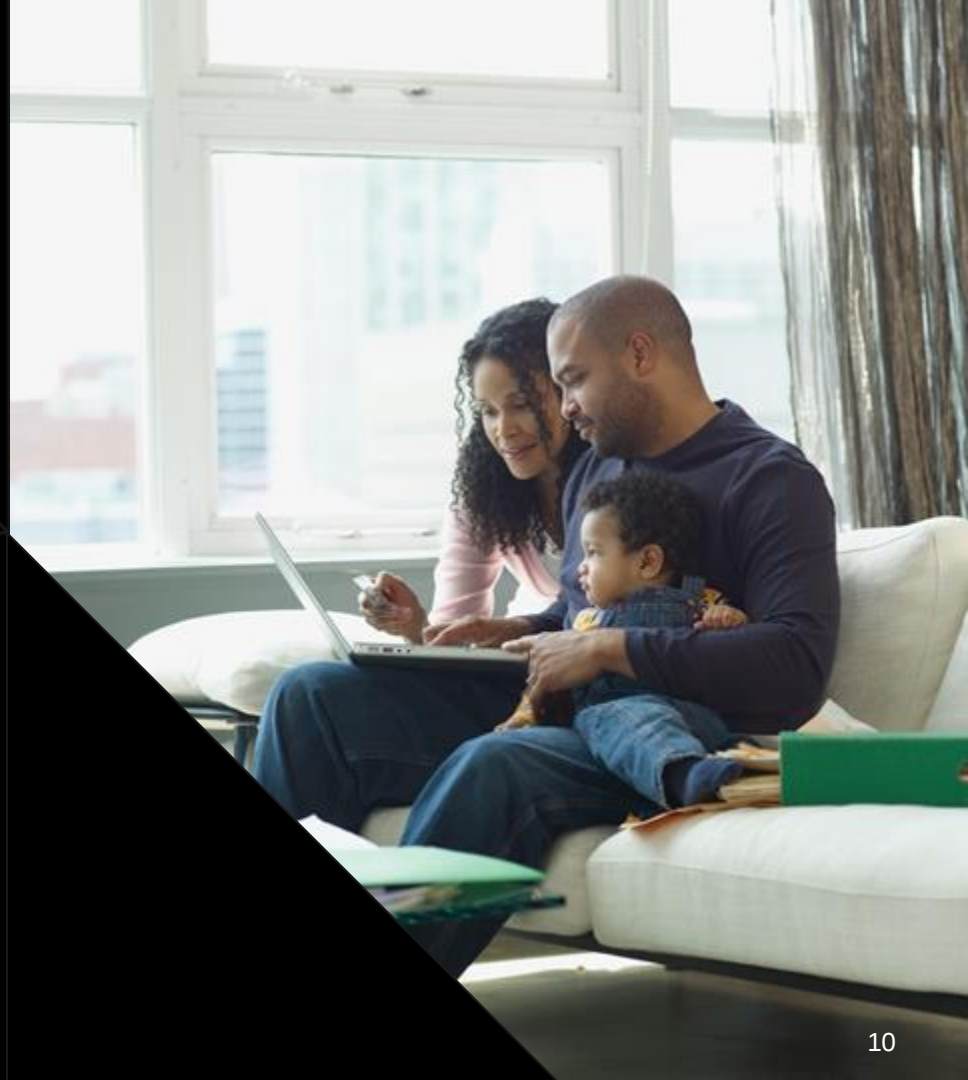


Less secure about future income

In the next 3-6 months

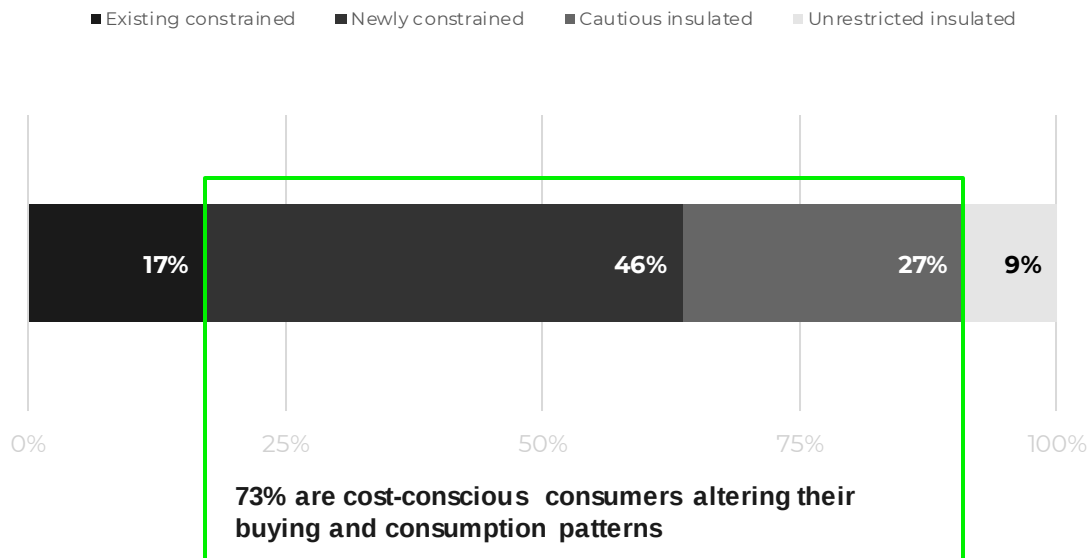
But other consumers were
previously constrained

And **insulated** consumers have not **been**
entirely shielded from **impacts**



Four groups shaping consumption patterns

Constrained and Insulated consumer groups - global



**Newly constrained doubled,
cautious insulated are
proactively rationalizing**

Consumption groups for Black consumers

	White	African American
Sample size	16703	2202
Cautious middle	28%	38%
Constrained existing	20%	17%
Constrained new	23%	24%
Existing core	29%	21%

Index vs Total >120

Index vs Total <80



Black consumers more likely to be cautious with their spending

Purchase and consumption behaviors



Key trend summary



Opportunity for growth across most categories. Ways to expand the black wallet share for brands that are seen as relevant.



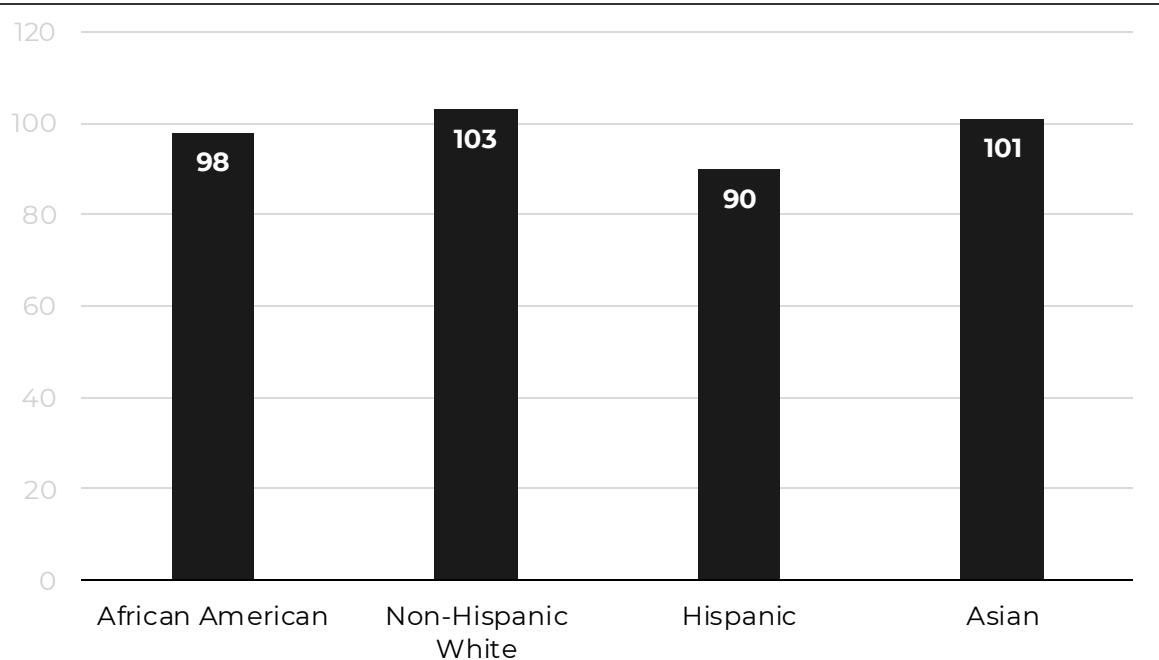
Conversion opportunity



Evolving healthy lifestyle. Health & wellness trends on the rise. Many small black businesses are forming in that vertical to serve the unique needs.

Black consumers are developed across the store

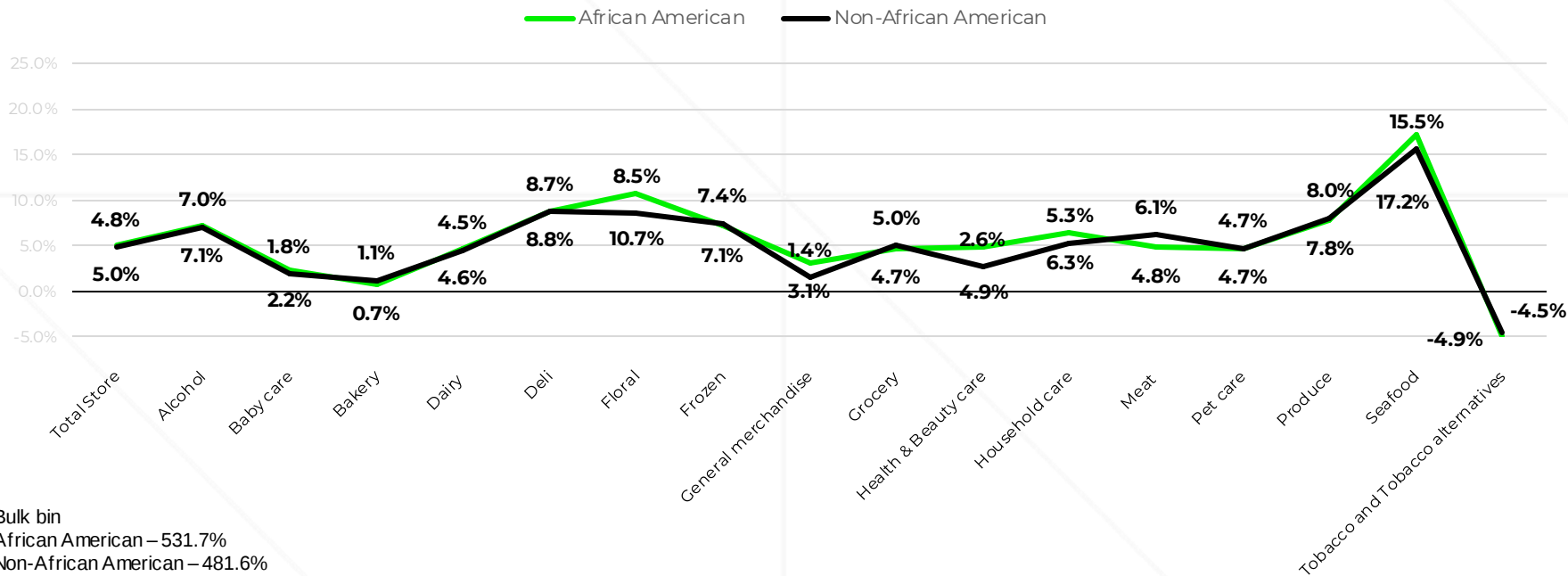
Index of total store spend to total households by race/ethnic group



African Americans spend about what is expected given their composition of U.S. households.

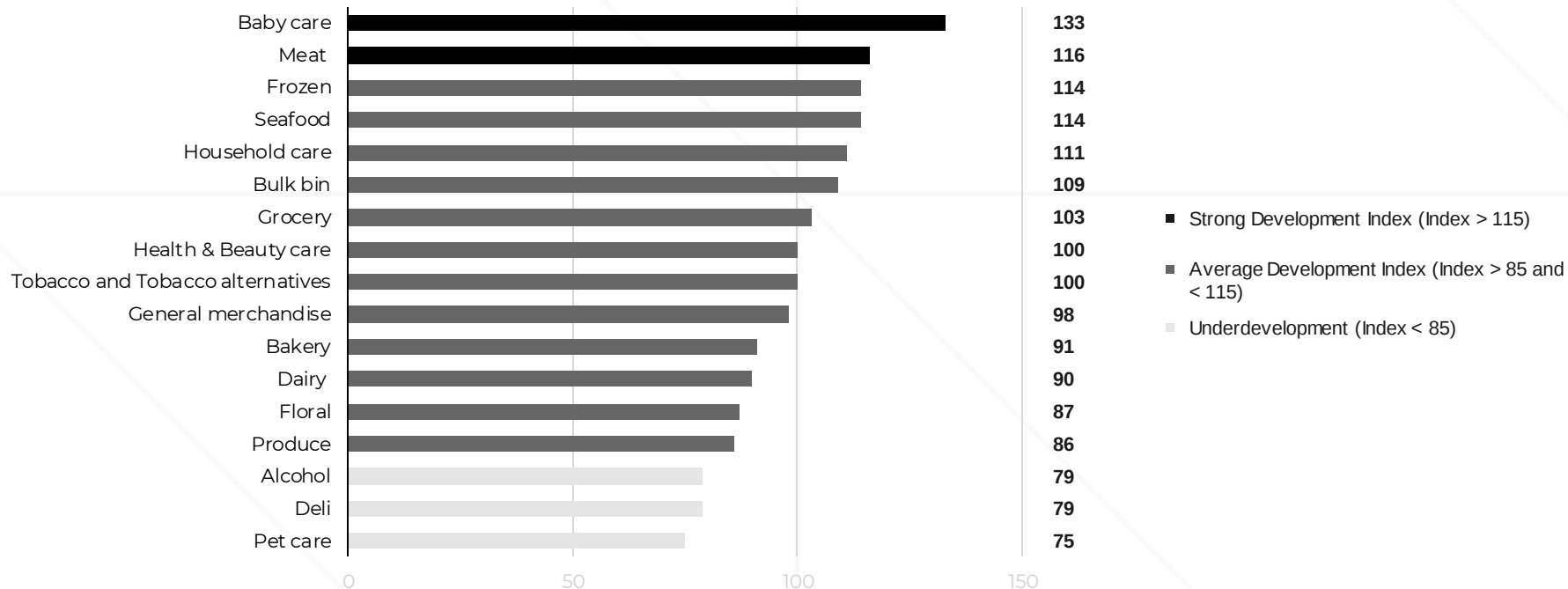
African American growth outpacing the market across the store

4-year CAGR: African American % chg in dollars vs. Non-African American



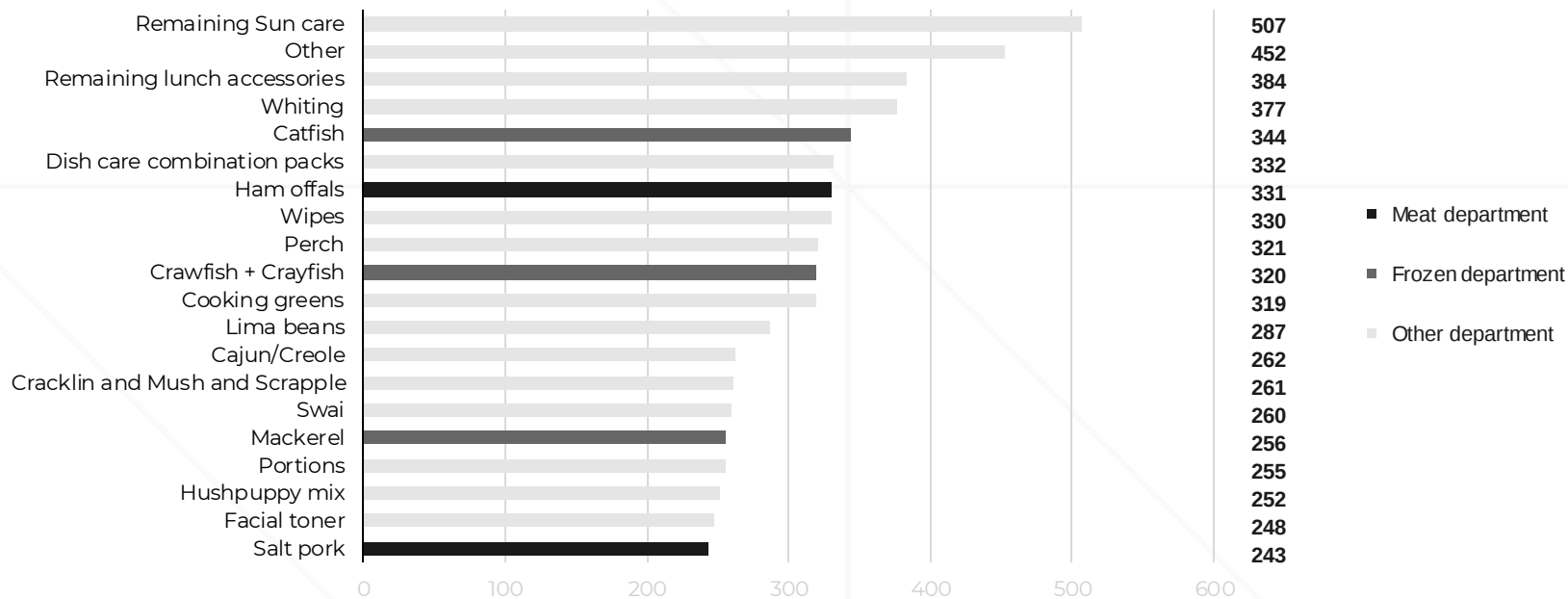
Contribution in line with expectations across most departments

African American: Department contribution index vs. Total store (\$)



Above fair share in culturally relevant categories

Highest indexing categories for African Americans (vs. Total store contribution)



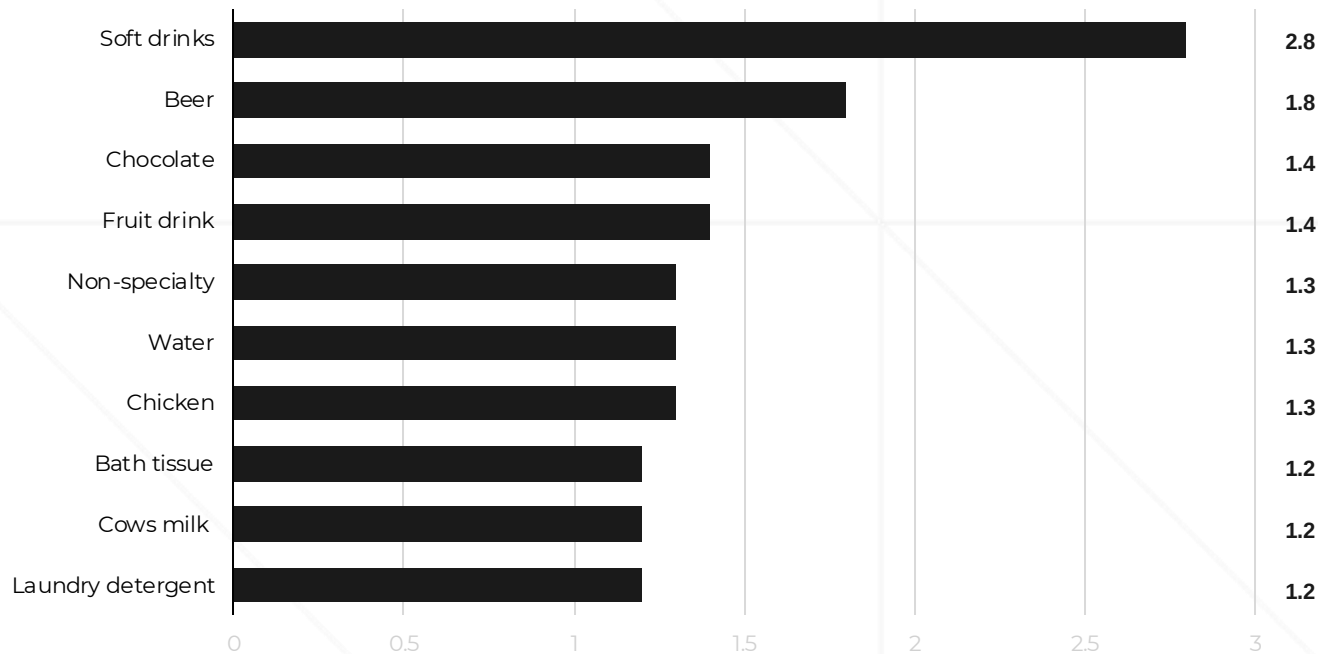
*minimum \$50M in annual African American sales

Source: Nielsen Target Track, Total US xAOC African American, Latest 52 Weeks Ending 09.10.16

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There is still an opportunity with Black consumers in large categories

Share of African American dollars: Top 10 categories

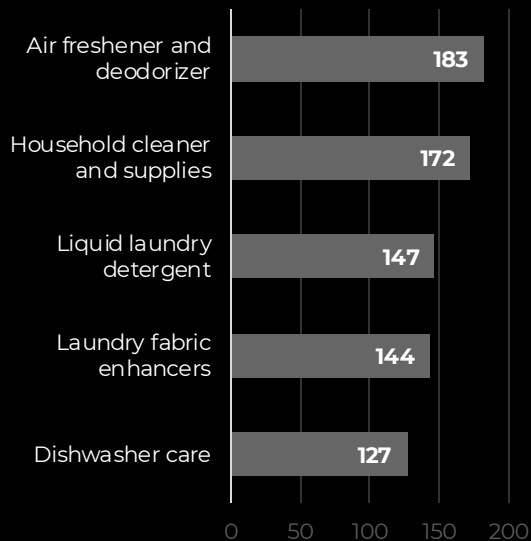


23.6%

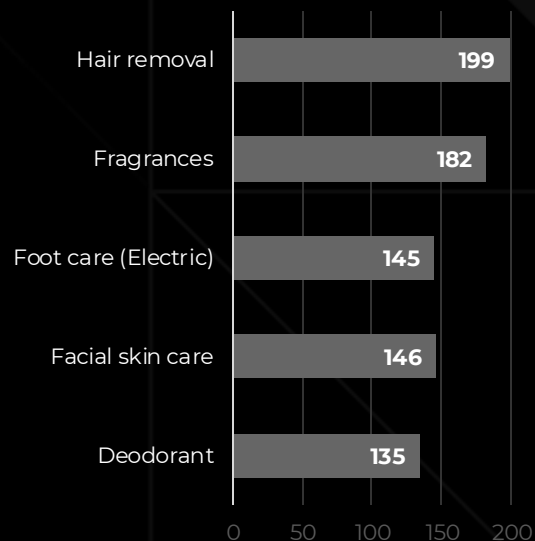
of African American \$
represented by Top 10
categories

Categories with high index vs total population

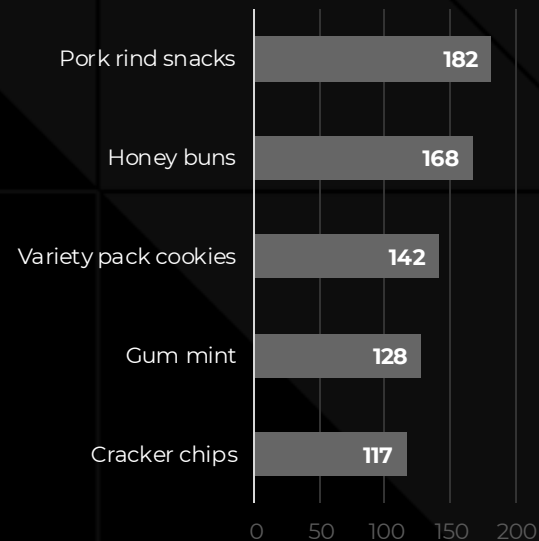
Household consumables



Self-care

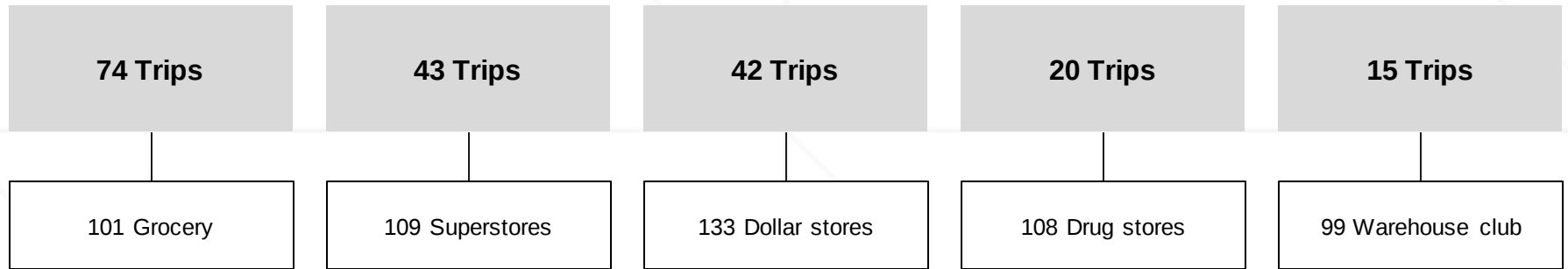


Single serve snacking

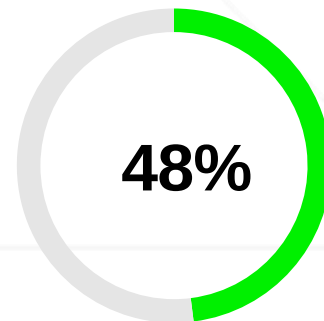
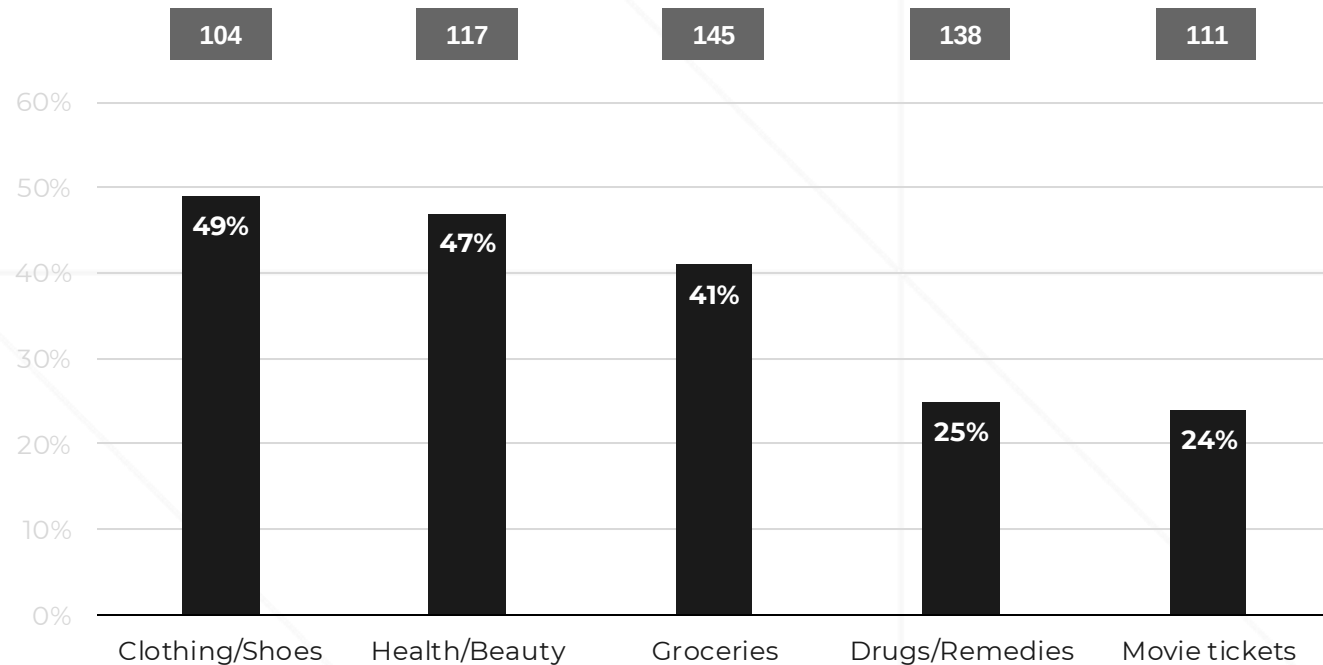




Retail channels where Black consumers are shopping



Top 5 online categories



of African Americans
households shopped online
in 2020

How to connect and engage



In-store influencers at point of purchase



Black consumers over index for **in-store coupons** for the **beverage category** by **30%**

26%

more likely to be influenced by in-store product informational messages

34%

more likely to be influenced by store associates than general market



What are the opinions, interests and top categories for Black Millennials?



30%

Claim to spend a lot of money on cosmetics and toiletries

Key websites visited

- nba.com
- espn.com
- netflix.com

Key leisure activities

- Play basketball
- Attend comedy club
- Play video games online

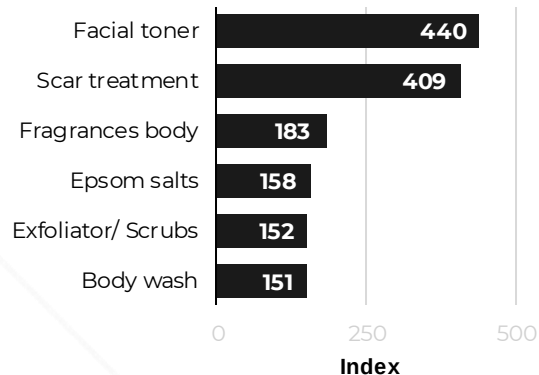
Find the top **opinions, media** and **leisure activities** Black consumers are interested in using Simmons Research

Find the top **categories** and **brands** Black consumers purchase using the Homescan Product Library

Top social interaction opinions

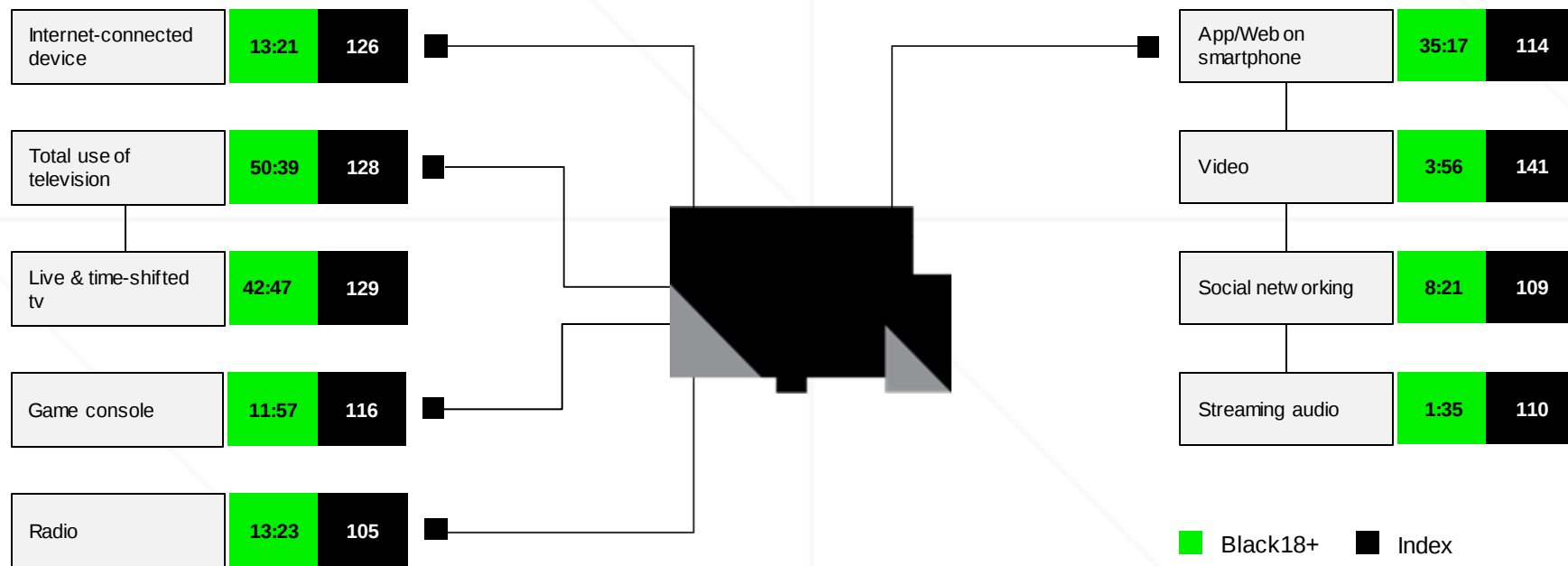
	% Adults
I like to try new things no one else has	42%
Good at convincing others to try new things	43%
People say my enthusiasm is contagious	39%
I am often chosen to be the spokesperson	34%

Top Health & Beauty categories



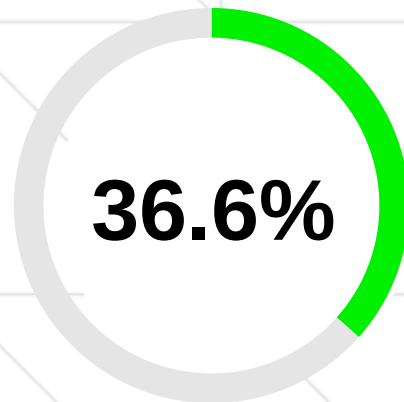
Weekly time spend on a device

(Hours:Minutes)



Social media influence and word of mouth

- Twitter subcultures give **voice** to issues that mainstream media does not cover
- Media relies on Twitter subcultures as a source of news
- Engagement **does not** equal favorability



of Black consumers 18+ are
on twitter—11% over total
population



What matters most



Embracing identity

Culturally and ethnically

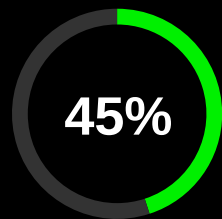
A majority of Black consumers say that embracing and supporting their ethnic culture is important. Fostering trust is critical to building loyalty among Black consumers.



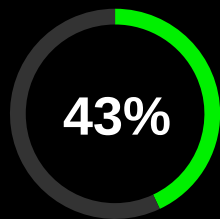
Learn more about the behaviors and values of the Black consumer with the NIQ Black consumer segmentation study.



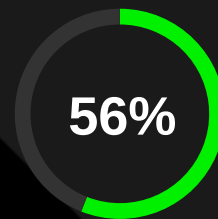
% African American more likely to purchase a brand if social causes are supported



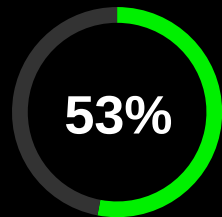
Voting rights



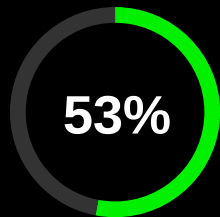
Healthcare



Racial
injustice



Hunger and
food
insecurity



Equality

Celebrities

55%

of African Americans align with the statement

“I feel really good about seeing celebrities in the media that share my ethnic background,”

which surpasses the general population by 79%



Black Consumers are Tastemakers

Actions

- Retailers can showcase more Black owned brands
- Brands can increase diversity and representation in advertising
- Diversity in employment and your leadership
- Retailers can grant direct access to Black beauty products
- Brands can include products that meet the needs of Black consumers (eg dietary options, variety of makeup shades, coarse hair textures)
- Support Black causes and the Black community
- Retailers can stock a greater range of products and brands that cater to Black needs
- Acknowledge and call out racism and inequality. Be vocal allies.
- Retailers can respect and provide a positive consumer experience





Thank you.