

Tones of Beauty
*An Ethnographic Exploration
of the Consumer of Color*

Presented by:
Jennifer Stansbury
Co-Founder, Managing Director

July 28th, 2019
Cosmoprof N.A.

theBenchmarkingCompany



The Benchmarking Company is a bi-coastal beauty and personal care consumer research firm with a proven track record in cosmetics, skincare, beauty devices, body care, hair care, nail care, men's grooming, fragrance and wellness/personal care.

Laser focused on providing:

- Quantitative research
- Qualitative research
- In-home beauty and personal care product testing

Benefits:

- Proof of efficacy
- Sell-in
- Sell-through
- Consumer insights
- Validation
- Risk mitigation

Understanding the beauty consumer is what we do.



Deriving the Data

thePinkReport
2018
The New Age of Naturals
Why's Important to the US Female Natural & Organic Beauty & Personal Care Buyer

With Special Bonus Sections:
Men and Menopausal Personal Care
Wellness Products
Consciousness and Their Impact on Beauty Marketing and Branding in the Natural/Organic Space - Top Hair Care Plus

thePinkReport
2016
TBC's Ten Year Beauty Benchmark
A Consumer Love Affair with All Things Beauty

thePinkPanel™



Beauty by the Numbers • 2015 Infographic Series #6

All about that HAIR!
Changes, condition, cut, and cut, hair care takes center stage in today's beauty by the numbers. Here are highlights from those original TEC studies* that showcase hair care segments, hair product buying habits, and hair growing demand for more.

Top Hair Care Products She Uses at Home Regularly

1. 99% Shampoo
2. 96% Conditioner
3. 59% Hair Spray

32% of women say they tried a new hair care product in 2014

- 13% say their new hair care product changed her life in a positive way
- 28% said it was an at-home hair color
- 21% claimed a hair oil (Argan, Moroccan)
- 19% said it was a shampoo
- 58% of those who tried a new hair care product would buy it again!

Hair Investment
58% of women spend between \$5-\$24 on average for a single hair care product

51% buy hair products in bulk when available

41% buy hair care products every month

26% buy hair care products more than once a month

21% spend more than \$24 for each hair care product

Her Favorite Prestige Brands

- 40% Philosophy
- 32% Bumble & Bumble
- 31% WEN

Tools She Adores

- 76% own a Blow Dryer
- 56% have a Flat Iron
- 48% use a Round Brush

Her Flat Iron Brand Favorites

- #1 Con: 30%
- #2 Conair: 13%
- #3 Revlon: 12%
- #4 Remington: 11%

Curly Girls Use More Products

- 43% of women have curly, or ethnically curly hair
- 67% use hair care products specifically for curly hair
- 79% use flat iron reduction styling products
- 54% use a curl defining styling product
- 40% straighten, process, or leave their hair blown out several times a week
- 73% use a flat iron to straighten those curls

What Women Want from Hair Products

- 99% Stronger, healthier hair
- 99% Shine
- 88% Protection in split ends
- 85% Fast, easy styling
- 80% Volume
- 80% Elimination of frizz
- 80% Immunity from the effects of humidity
- 74% Thicker hair/faster growth
- 65% More hair, faster slow dry, styling or overall finishing time

Call 1-800-1-800 or visit www.theBenchmarkingCompany.com for information on Beauty Panel, Beauty and Wellness, Beauty Consumer Research.

theBenchmarkingCompany
Beauty & Personal Care Business Research

Beauty by the Numbers • 2015 Infographic Series #4

Multicultural Beauties Speak Out

This month, TBC spent more time chatting about beauty with US women from a wide variety of ancestries, and the results were eye-opening. We learned how the underserved population shops, what products she buys, and her top beauty needs and concerns. Following here are some of the important consumer insights in the growing, up-and-coming and multicultural communities. It's beautiful indeed.

Multicultural women aren't shopping for beauty!
100% have shopped for beauty in the past 12 months

She wears products that specifically address her needs
100% have shopped for products specifically marketed for multicultural skin or hair

Mainstream Brands are Hit and Miss for Her

About two-thirds of multicultural women use mainstream beauty brands in a fully basic or ethnic beauty products

- 72% shampoo/conditioner
- 61% color treated/retreated hair product
- 50% eye/brow/face styling products
- 48% hair "fix" maintenance
- 47% makeup (Black Opal, MAC, etc. not listed)
- 38% dark eye cosmetics
- 38% hair styling/finishing products/body lotion/cream for hair/body care
- 34% fragrance/perfume
- 27% hair pigmentation products

Her top beauty purchases help her address her specific ethnic concerns/needs:

- 47% eye/brow/face styling products
- 47% makeup (Black Opal, MAC, etc. not listed)
- 38% dark eye cosmetics
- 38% hair styling/finishing products/body lotion/cream for hair/body care
- 34% fragrance/perfume
- 27% hair pigmentation products

She shops at leading beauty destinations for ethnic targeted beauty products

- 68% Supercenters (Target, Walgreens, etc.)
- 53% Amazon.com, or drug stores like CVS, Walgreens, etc.
- 48% Sephora
- 42% ULTA
- 23% Discount stores (Walmart, Marshalls, etc.)
- 16% Department stores (Macy's, Lord & Taylor, etc.)
- 14% Brand retail store (L'Oréal, 100% Pure, etc.)

She also a need for ethnic beauty products

- 96% says different ethnicities have unique concerns and styling needs
- 91% agree products for her specific hair type are important
- 86% agree products tailored specifically to her ethnic heritage, not to avoid being hit hard from mainstream beauty products
- 86% would like to see more beauty products tailored to ethnic women
- 86% agree that products tailored to specific ethnic hair types (African American, Hispanic, etc.) deliver better results
- 81% are willing to spend more for a product that is designed or catered to her ethnicity

Ingredients that she looks for in her hair products:

- 79% natural ingredients
- 66% vitamins (A, C, E, etc.)
- 64% olive, almond, nut, nutmeg
- 52% anti-aging ingredients
- 48% hydrating/lightening ingredients
- 47% organic ingredients
- 45% botanical ingredients
- 42% ingredients for acne
- 37% natural/essential
- 33% herbs

Call 1-800-1-800 or visit www.theBenchmarkingCompany.com for information on Beauty Panel, Beauty and Wellness, Beauty Consumer Research.

theBenchmarkingCompany
Beauty & Personal Care Business Research

Survey Methodology

Purpose of the Survey

TBC in partnership with Cosmoprof created an online survey designed to explore behaviors and attitudes of the ethnic consumer. A survey instrument with 52 questions was developed consisting of psychometric and demographic questions.

Research Execution

- More than 6,700 US Women and Men (99% women)
- Specific ethnicities included in this report include:
 - Hispanic
 - African American/Black
 - Asian – South East, i.e. Indian, Pakistani, Bangladeshi
 - Mixed ethnicity
 - Ages: 18+
- Online Fielding, May 2019

Screeners

Demographics

Social Behaviors

Personal Finances

Shopping Behaviors

Spending Behaviors

Attitudes toward
Beauty

Purchase influencers &
Motivators

Attitudes toward
products designed
specifically for
consumers of color

What We Will Cover Today

- Snapshot of the Ethnic Market
- Trends Impacting Her Purchase
 - Ethnicity & Age
 - Expectations of Brands
 - Her Behaviors & Influencers
 - Her Approach to Beauty



Snapshot of the Power of the Ethnic Consumer



- Census data shows that the minority population identifying as two or more races is the fastest growing segment in America
- African Americans are responsible for more than \$1.2 trillion in purchases annually, despite making up only 14% of the US population (Nielsen). Purchase power is estimated to hit \$1.5 trillion by 2021.
- Ethnic consumers are outpacing white consumers in purchase power growth. By 2021, minority groups will have the greatest gains in total buying power (Selig Center for Economic Growth).
- Hispanics accounted for 10% of the total US buying power in 2016. Asian consumers account for 6% of the total US buying power. It is estimated that African American consumers will account for 8.8% of the total buying power by 2021.

Snapshot of the Ethnic Centric Beauty Market

- “Black women spend 80 percent more on cosmetics and twice as much on skincare as their non-black counterparts.” (Egami Consulting Group)
- Major retailers are greatly increasing the shelf space focused on ethnic brands. i.e. Target quadrupled its ethnic sections in 2016 in major markets.
- Overall in beauty, the haircare market is somewhat stagnant however, there is notable growth in natural and ethnic haircare products.
- In 2016, Research firm Mintel projected the black haircare market to reach \$2.86 billion by 2022.



The Changing Paradigm of Consumerism

1. Mainstreaming
2. Instant Delivery
3. Personalization
4. Advertising Diversity and Inclusion
5. Artificial Intelligence
6. Transparency
7. Anti-Photoshop Revolution



WHO IS THE US Woman of Color?

01

QUESTION

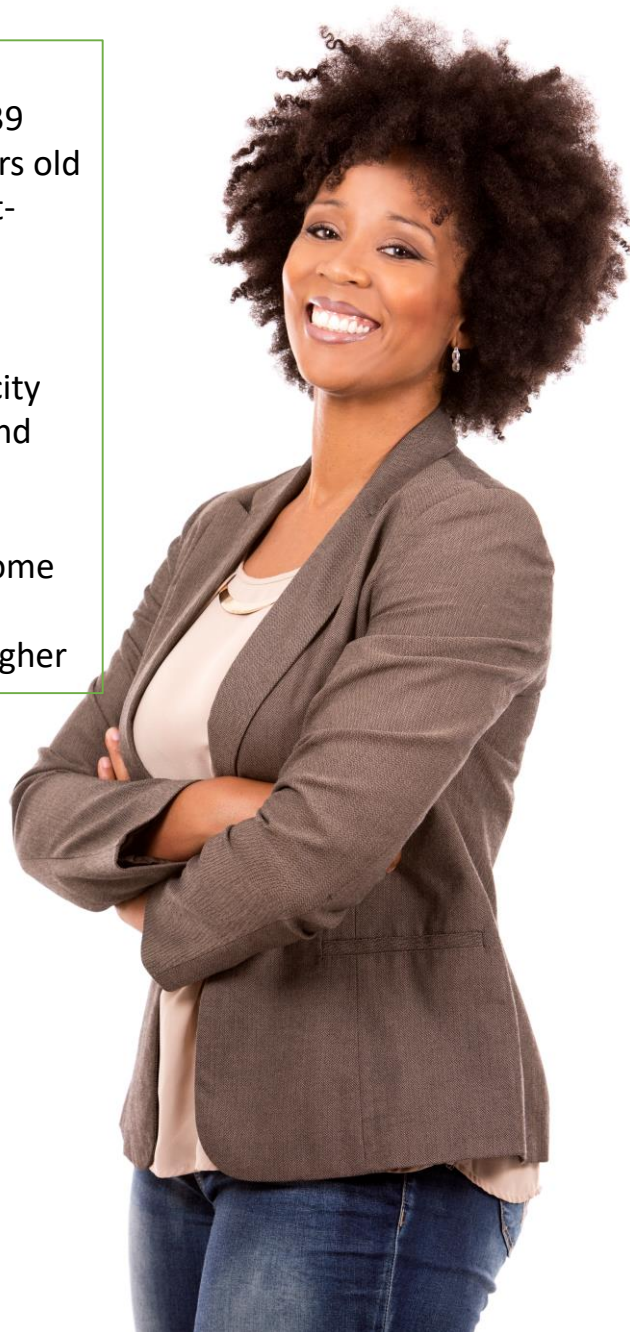
African American/Black

Demographics

- Ages 18 to 60+, 17% between 35-39 years old, 15% between 30-40 years old
- 48% work full-time, 13% work part-time
- 58% live in a single-family home
- 12% live in a major metro area
- 74% live in an urban or suburban city
- 33% are married, 47% are single and 13% live with a significant other
- 32% do not have children
- 26% live in a multi-generational home
- 9% have a HHI > \$100,000
- 41% have a Bachelors degree or higher

Top 5 Ways She Describes Herself:

- #1 Family oriented
- #2 Passionate
- #3 Focused
- #4 Spiritual
- #5 Frugal



Her Relationship with Money

- 47% self identify as a “saver” rather than a “spender”
- 31% state they live paycheck to paycheck while 29% note they save up to 10% of their annual HHI
- 22% note they spend up to 10% of their HHI on items, activities, vacations, anything other than household expenses, 16% spend more than 40% of their HHI
- 51% carry credit card debt

Where She Spends Her Money

- 78% purchase beauty products
- 69% spend money on dining out
- 51% spend on professional beauty services
- 41% spend on a family vacation
- 35% spend on upgrades to their homes
- 34% note spending on the latest technology, gadgets and devices

Hispanic/Latina

Demographics

- Ages 18 to 60+, 20% between 30-34 years old, 18% between 25-29 years old
- 44% work full-time, 15% work part-time
- 66% live in a single-family home
- 12% live in a major metro and 76% live in an urban or suburban city
- 48% are married, 23% are single and 18% live with a significant other
- 30% do not have children
- 31% live in a multi-generational home
- 27% have a Bachelors degree or higher
- 12% have a HHI>\$100,000

Top 5 Ways She Describes Herself:

- #1 Family oriented
- #2 Passionate
- #3 Focused
- #4 Health-minded
- #5 Busy



Her Relationship with Money

- 51% self identify as a “saver” rather than a “spender”
- 29% state they live paycheck to paycheck while 27% note they save up to 10% of their annual HHI
- 23% spend up to 10% of their HHI on items, activities, vacations, anything other than household expenses, 12% spend more than 40% of their HHI
- 46% carry credit card debt

Where She Spends Her Money

- 76% purchase beauty products
- 71% spend money on dining out
- 49% spend on professional beauty services
- 47% spend on a family vacation
- 39% spend on upgrades to their homes
- 37% cultural events

Southeast Asian (Pakistani, Indian, Bangladeshi)

Demographics

- Ages 18 to 60+, 25% between 18-24 years old, 29% between 25-29 years old
- 34% work full-time, 11% work part-time
- 42% live in a condo or apartment
- 74% live in an urban or suburban city
- 51% are married, 42% are single and
- 60% do not have children
- 32% live in a multi-generational home
- 19% have a HHI > \$100,000
- 79% have a Bachelors degree or higher



Top 5 Ways She Describes Herself:

- #1 Family oriented
- #2 Health-minded
- #3 Focused
- #4 Open to anything
- #5 Busy

Her Relationship with Money

- 56% self identify as a “saver” rather than a “spender”
- 12% state they live paycheck to paycheck while 23% note they save up to 10% of their annual HHI, 28% save between 21% and 40%
- 17% note they spend up to 10% of their HHI on items, activities, vacations, anything other than household expenses, 20% spend more than 40% of their HH
- 40% carry credit card debt

Where She Spends Her Money

- 77% purchase beauty products
- 69% spend money on dining out
- 56% spend on professional beauty services
- 51% spend on a family vacation
- 35% spend on upgrades to their homes
- 36% note spending on designer/high end clothing
- 16% spend money on private education for their children

Mixed Ethnicity

Demographics

- Ages 18 to 60+, 22% between 30-35 years old, 15% between 18-24 years old
- 44% work full-time, 16% work part-time
- 65% live in a single-family home
- 11% live in a major metro area while 74% live in an urban or suburban city
- 40% are married, 28% are single and 21% live with a significant other
- 39% do not have children
- 26% live in a multi-generational home
- 14% have a HHI > \$100,000
- 32% have a Bachelors degree or higher

Top 5 Ways She Describes Herself:

- #1 Family oriented
- #2 Busy
- #3 Health-minded
- #4 Focused
- #5 Passionate



Her Relationship with Money

- 47% self identify as a “saver” rather than a “spender”
- 31% state they live paycheck to paycheck while 29% note they save up to 10% of their annual HHI
- 21% note they spend up to 10% of their HHI on items, activities, vacations, anything other than household expenses, 15% spend more than 40% of their HHI
- 50% carry credit card debt

Where She Spends Her Money

- 80% spend money on beauty products
- 77% spend money on dining out
- 51% spend on professional beauty services
- 41% spend on a family vacation
- 46% spend on cultural activities
- 43% spend on the newest technology and gadgets

Side by Side Look by Ethnicity

	African American/black	Hispanic/Latina	Asian (Southeast only)	Mixed Ethnicity
Own a vehicle	63%	70%	62%	71%
Own a luxury vehicle	13%	9%	17%	14%
Own a mid-range sedan	41%	32%	38%	27%
Prefer a family vacation close to home	51%	57%	33% (56% prefer luxurious vacation abroad)	46%
Time is more valuable than money	73%	76%	79%	80%
Prefer to cook meals at home	54%	49%	66%	57%
Find purchasing designer clothes highly appealing	18%	17%	37%	19%
Find visiting a salon to have hair done highly appealing	42%	34%	44%	40%

Side by Side Look by Ethnicity

	African American/black	Hispanic/Latina	Asian (Southeast only)	Mixed Ethnicity
Enjoy spending money on their family	77%	81%	86%	85%
Enjoy exercising	49%	47%	61%	45%
Having a beautiful home is highly appealing	81%	77%	79%	77%
Donating time to a charitable cause	50%	45%	66%	53%
Going to church/religious services	57%	39%	51%	34%
Hanging out at home	85%	79%	75%	86%
Prefer to watch TV shows or movies where the lead characters are people of color	33%	11%	22%	15%

What influences our behavior more, ethnicity or age?

Gen Z (18-24)

- Born with smart devices and prefers shopping with this method
- The “selfie” generation – thrive to look their best for photos
- 91% of Gen-Z are highly influenced to purchase a beauty product as a result of reading positive reviews, 75% for other consumables
- Less than 1/3 carry credit card debt – they prefer to use debit cards
- Generation most influenced to purchase a product if the ads contain images of people of color
- Her favorite shows are Grey’s Anatomy, Law & Order SVU and Game of Thrones



*Gen Z is 4 to 24 years old but for this study we evaluated those 18-24

Millennial (25-39)

- First generation to adopt widespread cell phone usage
- She is swayed by what is trending in social media
- 88% of Millennials are highly influenced to purchase a beauty product as a result of reading positive reviews
- 59% are early adopters of new skincare trends
- Favorite shows are Game of Thrones, This is Us and Law & Order SVU
- A top influencer of purchase decision is availability of the product where she shops



Age or ethnicity?

Jessie Gen-Xer (40-54)

- Generation that shops the most frequently
- Most open-minded to trying new products/brands
- Favorite shows: This is Us, Game of Thrones and Law & Order SVU
- Generation not as highly influenced by cultural marketing as it is the largest generation of mixed ethnicity families
- Passionate about causes such as Women's Health and Education
- Generation most likely to take recommendation of a friend or family member



Barbie Boomer (54+)

- Disposable income and still buying big
- Most loyal consumer but still willing to try new things
- Generation most influenced to purchase a products that are important to their ethnic culture
- Is highly influenced by marketing that is aligned with ethnic traditions and tastes
- 36% are influenced to purchase products if they are sold at a location that caters to women of color



Generational Look

	Gen Z	Millennial	Gen X	Boomer
Own a vehicle	57%	77%	82%	86%
Own a luxury vehicle	6%	7%	9%	8%
Own a mid-range sedan	43%	31%	24%	28%
Prefer a luxurious vacation abroad	43%	33%	25%	27%
Time is more valuable than money	67%	78%	77%	70%
Prefer to cook meals at home	50%	54%	56%	54%
Find purchasing designer clothes highly appealing	23%	18%	16%	9%
Enjoy spending money on my family	73%	80%	78%	69%
Enjoy exercising	45%	41%	35%	34%
Spending money on a vacation for "me"	28%	19%	16%	22%
Bargain shopping for designer clothes	86%	83%	83%	80%

WHAT ARE HER EXPECTATIONS of Consumer Brands?

02

QUESTION



Her Expectations

I expect brands to be...

- Cognizant of specific needs for certain ethnicities – i.e. skincare, haircare, body care
- Transparent (ingredients, manufacturing, animal cruelty)
- Socially responsible
- Authentic

I expect brands to...

- Be inclusive
- Give back
- Understand who I am as a consumer and what is important to me

Products She Expects to be Targeted/Made for Women of Color



72% hair care



69% color cosmetics



68% facial skincare



72% body care



69% clothing



68% feminine care



Mainstream Brands She Shops That Market Specifically to Consumers of Color



WHAT INFLUENCES HER PURCHASES and Behaviors?

03

What Influences



where she eats out?

- 90% great service
- 89% menu selection
- 89% what I'm in the mood for
- 71% cost
- 68% number of positive reviews
- 68% quick and convenient
- 34% caters to allergies



her to purchase a consumer good?

- 79% available where I shop
- 79% product has positive product reviews and consumer claims
- 75% from a brand I know and trust
- 40% is made specifically for women of color

The Influence of Cultural Consideration

% women who selected 4 or 5 (1 to 5 scale) on how influential these aspects are to her purchasing decision

47% Products that are important to her ethnic culture, identity

46% Ads for the product include images of women of color or demonstrate a commitment to being multi-cultural

40% Made specifically for women of color

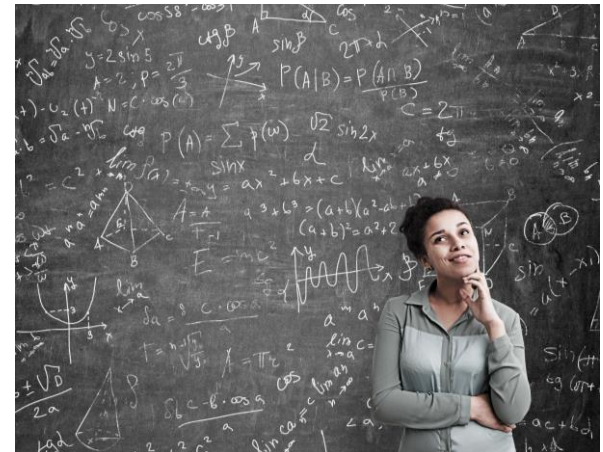
37% Marketing portrays current ethnic pop-culture

33% Is sold at a location that caters to women of color

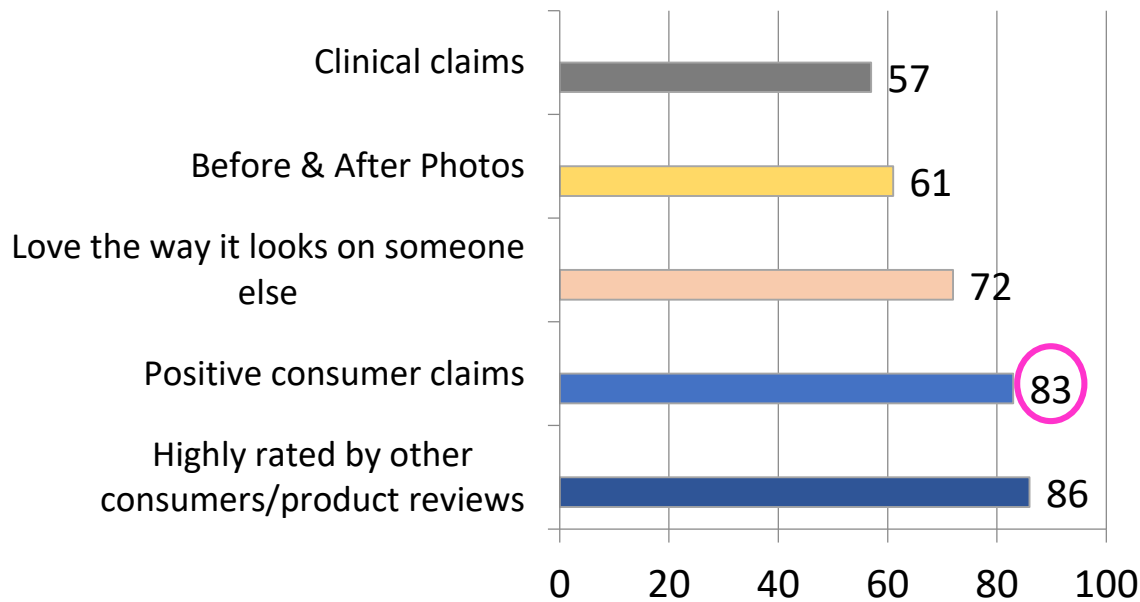


Regardless of Race, She Wants To See the Proof

Consumer Claims and Product Reviews Have a Significant Impact on Purchase Decisions



The type of proof that has significant impact on his/her purchase decision.



81%

of women find consumer claims very believable because they are derived from a panel of real women like them.

82%

of women want to see claims derived from women of their same ethnicity.

WHAT DOES SHE WANT from Beauty Brands?

04
QUESTION

What's Important to Her When Making a Beauty Purchase



84%

Offers a diverse range of shades



79%

5-Star Reviews



75%

Consumer Claims



67%

Does not test on animals



Recognizing Uniqueness

44% women of color have skincare needs that are unique and different

65% believe that beauty brands currently do a good job of meeting those specific needs

60% feel it's important that products/brands created specifically for women of color are not marketed to women with lighter skin tones

Why does she feel this way?

- **50%** believe there are enough brands that cater to women with lighter skin
- **49%** feel like too many brands abandon the needs of women of color

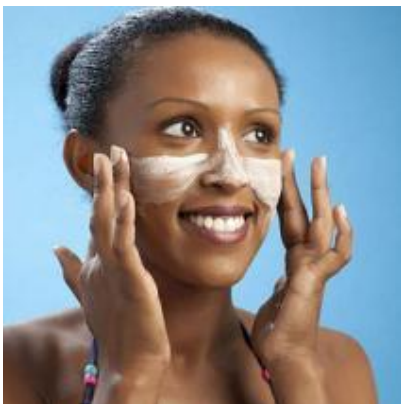
6% would abandon a brand created specifically for women of color if the company started offering products designed for all women

Color Cosmetics She Feels Should be Created Specifically for Women of Color

1. Foundation
2. Concealer
3. Powder
4. Contour Powder
5. Blush/Highlighting Powder
6. Primer
7. Eye Shadow



Skincare Products She Feels Should be Created Specifically for Women of Color



1. Facial Sunscreen
2. Facial Moisturizer
3. Facial Cleanser
4. Face Toner/Mist
5. Anti-Aging Serum
6. Exfoliator
7. Face Oil

Inclusive Beauty



Side by Side Look Beauty Specific

	African American/black	Hispanic/Latina	Asian (Southeast only)	Mixed Ethnicity
Believes the industry does a good job offering products and brands specifically targeted to women of color	15% (67% sometimes)	26% (63% sometimes)	26% (62% sometimes)	17% (16% sometimes)
Find it highly appealing to purchase beauty products designed specifically for women of color	77%	24%	53%	37%
Believes it is important beauty products are made with green/clean ingredients	68%	69%	82%	69%
Believes it is important color cosmetics are made with green/clean ingredients	63%	59%	75%	59%
Believes it is important hair care products are made with green/clean ingredients	74%	70%	86%	62%
Purchasing whichever beauty product meets my specific needs	79%	79%	82%	82%

Key Takeaways

- 1.** Ethnic spend is only increasing – opportunities abound to capture your share of her wallet
- 2.** Not *every* product has to be “made for women of color”
- 3.** Age is as important as ethnicity – create age appropriate marketing for your targets
- 4.** Consumer claims, product reviews, convenience and efficacy influence her the most when making a purchase decision – invest in claims/reviews/ratings
- 5.** Consumers expect inclusivity, for brands to give back and transparency



TBC Conducts Research For Top Brands

ALGENIST



bareMinerals®
By BARE ESSENTIALS



HOLLYWOOD, CALIFORNIA
GLAMGLOW



 JeNu



MARY KAY



Murad® | *m*

RevitaLash®

KOPARI

JOSIE MARAN
Luxury with a Conscience.®

ELEMIS

StriVectin®

PAULA'S CHOICE®
SKINCARE

benefit
SAN FRANCISCO

MADISON REED



NARS

EVER



GOLDEN DOOR®

SKININC®

BIOELEMENTS®
PROFESSIONAL SKIN CARE

proactiv®
SOLUTION



ghd
good hair day, every day

Jergens®

mama mio
skincare



NEYDHARTING
MOOR™
SCIENCE & NATURE BECOME ART

Perricone MD

TBC Conducts Research For Top Brands

Panasonic



VOTRE VU
PARIS • FRANCE



PEACH & LILY patchology



AQUIS

INSTYLER

AMOREPACIFIC

JULEP glanbia

SKIN CLINICAL

EVE • PEARL
BEAUTY BRANDS

COTY

blinc
cosmetics

ESTÉE
LAUDER
COMPANIES



ZO SKIN CENTRE
by ZEIN OBAGI

AU Aubio Life Sciences

pixi by
petra

JUARA

Dr.Jart+

JOICO

NatureLab.
naturelab



PURITY
OF
ELEMENTS™

JOY
LUX
INC.



SCALISI
SKINCARE



eva.nyc

For more information, contact:

The Benchmarking Company
11710 Plaza America Drive
Suite 2000
Reston, VA 20190
Office: 703-871-5300 x102

Jennifer Stansbury
Co-founder, Managing Partner
jenn@benchmarkingcompany.com

Denise Herich
Co-founder, Managing Partner
denise@benchmarkingcompany.com

theBenchmarkingCompany

