

# When Lack of Diversity is No Longer an Option: The Increasing Importance of Consumer Voice in Shaping Brand Decisions and the Market

06 August 2021



Dr Diane Kalendra, Discipline Leader Marketing and Entrepreneurship, Australian Institute of Business

Dr Bora Qesja, Marketing Lecturer, Australian Institute of Business

Diversity is defined by the Oxford English Dictionary as 'the practice or quality of including or involving people from a range of different social and ethnic backgrounds and of different genders, sexual orientations etc'. When it comes to diversity in marketing, over the past decade, an increasing number of initiatives have been undertaken by brands in an attempt to better connect with consumers and address their needs. However, many of these initiatives have come as a result of increasing consumer activism and backlash faced on social media, indicating the growing power of consumer voice in shaping brand decisions and the overall market. This article examines the cosmetics industry where lack of diversity (especially relating to skin colour) has been of key focus in the last few years, highlighting the role consumer voice has played in shaping the direction the industry is taking when it comes to product inclusivity.

## Lack of Diversity in the Cosmetics Industry

Much like the fashion industry, which has exhibited a much-discussed problematic lack of <u>body diversity</u>, the cosmetics industry has historically been very white-centric, focusing its attention on <u>Caucasian females to the exclusion of other races, ethnicities, and skin colours</u>. This <u>lack of diversity can have a negative psychological impact</u> on individuals of any ethnicity, causing them to feel excluded and generating feelings of anxiety, frustration and low self-esteem.

One particular and longstanding issue in the cosmetics industry is the lack of diversity in product shades of foundations to suit consumers of darker-skinned ethnicities. Many cosmetic brands have only provided a limited range of almost exclusively white (i.e., Caucasian) shades. While this lack of diversity in the cosmetic world has in many cases created an opportunity for niche brands to position themselves exclusively to fulfil this unmet need (Black Opal Beauty, US 1994; MDM Flow in the UK, 2015), consumers are no longer accepting brands that do not cater to all skin colours.

The success of these niche brands paved the way for one of the most successful diversity marketing campaigns to date, which managed to tap into this huge opportunity most makeup brands had been failing to take. In 2017, celebrity and popstar Rihanna teamed up with luxury multinational fashion group LVMH (which owns Louis Vuitton, Fendi, Christian Dior, Moet Hennessy and many others) to launch Fenty Beauty, a cosmetics line centred around ethnic diversity. Initially offering 40 foundation shades that encompass a huge number of skin tones (and, thus, ethnicities), the company created a new industry benchmark. Fenty's diversity-based brand positioning was hugely successful, generating US \$\frac{5100 \text{ million in its first 40 days}}{100 \text{ million in its first 40 days}} of operation, indicating just how strongly consumers reacted to a brand finally getting it right.

### Consumer Backlash: Swift and Fierce

In the wake of Fenty's success, consumer expectations have risen—consequently, other brands have been harshly criticised for missing the mark. Tarte Cosmetics was a well-loved brand that had been admired for its pledge to remain cruelty-free and vegan-friendly while delivering high-quality products. However, in 2018, it rushed its much-hyped Shape Tape foundation to market without due consideration. The company was met with an <u>avalanche of criticism</u> due to the lack of inclusivity in the offered range of shades—15 options in total and only three that catered to medium or deep skin tones.

In this case, consumer voices were loud and swift, using social media platforms such as Instagram, Twitter and YouTube to further amplify their criticisms. The response was vehement, with beauty influencers taking up the cause in taking a stance, and being criticized when the stance is not strong enough. In a <u>video review</u> alongside Alissa Ashley that garnered 5 million views, popular beauty blogger Jackie Aina said, 'I don't appreciate the blatant erasure of a whole spectrum of people. It doesn't even look like they tried.'

After a backlash from followers, NikkieTutorials, one of the most popular beauty influencers, <u>retracted her review</u> with the statement: 'I am putting my Tarte Shape Tape video offline. Thank you for showing me the importance of showcasing my voice... the Tarte shade range is an absolute mess and I should've spoken up about it more than I did.'

Tarte Cosmetics apologised to its customers and announced that new shades were underway:

It may be too little too late, but we can assure you this was not meant in any kind of malicious way.... We wanted to get the product out as fast as possible, & we made the decision to move forward before all the shades were ready to go. We know there is no excuse, & we take full responsibility for launching this way. We lost sight of what's really important in this industry, & for those who feel alienated in our community, we want to personally apologize. We're doing everything in our power to bring those unfinished shades to market as fast as we can, at any cost. We CAN and WILL DO BETTER.

However, the brand's response really was too little, too late. Only 10 new shades were added, with an explanation that 'additional shades are usually added seasonally, which makes sense because your complexion tends to be paler in winter and darker in summer months'.

Unfortunately, this only added fuel to the fire by implying that people of colour become pale in the wintertime.

In early 2019, Tarte Cosmetics pulled Shape Tape foundation from the market and launched Face Tape, a redesigned line of foundation that included 50 shades and five undertones, with 17 shades for darker skin—a third of the whole range—in the effort to win back its customers' trust. Admitting that the brand had made a huge mistake, founder Maureen Kelly said, 'we were moving so fast and doing so much. It was like, "God, how did we miss the mark so badly." Sometimes you just have to press the reset button.'

This series of events comprised a major lesson for the cosmetics industry about the importance of listening to consumer voices, particularly in relation to diversity, indicating that what is perceived to be an excuse will no longer be accepted as reason for lack of inclusivity. However, some brands failed to pay attention.

As Tarte Cosmetics was launching its redesigned range, luxury beauty brand Givenchy also missed the mark in a significant way. It faced a similar consumer backlash when it was revealed that its new line of foundations showed a disappointing lack of shade diversity. Despite offering 20 different colours, only two were darker shades. Jeffree Star, a popular beauty influencer, <u>called the new range a 'joke'</u> and refused to review it:

It's 2019, stop making People Of Colour an afterthought. I won't be doing a review and promoting this foolery.

Later in 2019, Sephora, the world's largest cosmetics retailer, made a similar blunder. Despite being known in the US for its inclusive approach, Sephora carried only a limited range of shades when it opened its first store in South Korea. Shockingly, the company also did not allow customers to order darker shades from Sephora overseas. This left many customers extremely dissatisfied, boycotting the store 'until their product lines become inclusive of diverse skin colours'.

# **Looking Forward**

Over the past four years, many major brands such as L'Oreal owned <u>Lancôme</u>, <u>Rimmel</u>, <u>Dior</u> and <u>CoverGirl</u> have expanded their foundation ranges. Further, Fenty Beauty, the superstar diversity brand, now offers <u>50 shades</u>.

Consumer voice is playing an increasingly vital role in demanding diversity and influencing brand decisions to tackle these issues. However, while the outlook is optimistic, there is a long way to go—diversity should not be an afterthought or only in response to criticism. If some of the trends described in this article continue, we can look forward to a future in which brands are kept accountable by the voice of the consumer to positively contribute to creating a more inclusive world.



Dr. Diane Kalendra

#### Discipline Leader, Australian Institute of Business

Diane has over 25 years of experience as a professional marketer contributing to the success of major brands including Bristol-Myers Squibb, Faulding Pharmaceuticals, SOLA Optical and Australia Post. Diane also has entrepreneurial experience building multi-million-dollar businesses and Board experience with not-for-profits. Diane completed her doctoral degree (PhD) in 2007 on the topic of developing a market orientation using an action research approach while working full-time in industry.



## Bora Qesja

#### Senior Lecturer. Australian Institute of Business

Bora has over ten years of experience working in academia and industry. Bora obtained her PhD from the University of Adelaide, Australia (where she taught for five years) funded by the ARC Training Centre for Innovative Wine Production, graduated with honours from a MSc in Luxury Goods and Services from the International University of Monaco (Monaco), and has a BS in Bioinformatics from Jacobs University (Germany) which equipped her with strong analytical skills. Dr. Qesja continues her engagement with the industry as a consultant, with the latest project ('Riverland on the Verge) resulting in a permanent Virtual Reality fixture (for promoting the tourism of the Riverland Wine Region) in both the National Wine Centre (Adelaide) and Riverland Wine Centre.