



Black-founded Brands Pave an Innovative Path for Beauty

Tracking the growing penetration and influence of Black-founded beauty brands in the U.S.

About The NPD Group

NPD is a global market information company offering data, industry expertise, and prescriptive analytics to help our clients understand today's retail landscape and prepare for the future. Over 2,000 companies worldwide rely on us to help them measure, predict, and improve performance across all channels, including brick-and-mortar, e-commerce, and B2B. We have services in 21 countries worldwide, with operations spanning the Americas, Europe, and APAC. Practice areas include apparel, appliances, automotive, beauty, books, B2B technology, consumer technology, e-commerce, fashion accessories, food consumption, foodservice, footwear, home, home improvement, juvenile products, media entertainment, mobile, office supplies, retail, sports, toys, and video games.

For more information, visit npd.com.

Follow us on Twitter: [@npdgroup](https://twitter.com/npdgroup).



Black/African American entrepreneurs have had to face many hurdles throughout history. But when it comes to beauty, many credit a Black woman, Madam C.J. Walker, as the industry's matriarch. In 1919, she built the Madam C.J. Walker Manufacturing Company, a franchise business that was based on her invention of the first successful hair-straightening process. The company then expanded to include other haircare products and cosmetics. It is widely considered the most financially successful Black-owned business of the early 20th century. Although the Madam C.J. Walker brand ceased to exist in 1981, it was revived recently by the founder's great-great-granddaughter, in partnership with Walmart, as a new Madame by Madam C.J. Walker haircare line.

Fast-forward to the present day, when consumers of any race or ethnicity can buy a broad selection of beauty products from a host of Black-founded companies at some of the best-known beauty retailers in the U.S. This most notably took place over the past two years as a result of the global Black Lives Matter movement which arose in May 2020. Examples include companies manufacturing makeup, haircare, and skincare products. In addition, more than 20 companies, including some of the largest beauty retailers, have signed onto a campaign called the **Fifteen Percent Pledge**. The aim is to commit at least 15% of their retail shelf space to products from Black-owned businesses.

Amplifying diversity and inclusion in beauty products

Prior to 2020, brand activists had been pushing retailers to stock more products from Black-founded brands, and more consumers are finally taking notice. Even so, there's still a long way to go before many of these brands become household names, like Madam Walker was at the turn of the 20th century.

MYTH:

BLACK-FOUNDED BRANDS CREATE PRODUCTS THAT FOCUS ONLY ON BLACK/AFRICAN AMERICAN CONSUMERS.

There's a widely held misconception that Black-founded beauty brands design and market products solely for Black consumers. Despite the fact that Black consumers' spending on beauty has increased in the past years — growing 20% between 2021 and 2019, according to average spending data from NPD's Checkout — Black-founded brands are not necessarily targeted at this cohort only. While some companies do specialize, many others offer a range of products to people of all races, ethnicities, skin colors, and hair types. (This is a fact that even some leading brands in the beauty industry seem to be taking to heart these days.)

Focus on facts

At The NPD Group, we are leveraging our voluminous retail-tracking and consumer datasets in hopes of increasing the understanding and awareness of Black-founded beauty brands. We have deep visibility into the retail metrics that underpin this vibrant and growing market, which can help retailers and others appreciate the success of these innovative companies.

NPD data illustrates how Black-founded beauty brands — still a small, but growing, part of the overall market — are already helping to shape a more inclusive and successful future for the U.S. prestige beauty industry.



FACT:

IN THE 12 MONTHS ENDING FEBRUARY 2022, BLACK-FOUNDED BEAUTY SALES — INCLUDING MAKEUP, SKINCARE, AND HAIRCARE — INCREASED BY 45%, WHILE THE REST OF THE MARKET GREW BY 30%.

The growth numbers were even more striking in skincare (88% versus 20%) and haircare (61% versus 47%).

Black-founded Brands: Share and Performance

CATEGORY	Dollar Share			12ME Feb'22 Dollar Change	
	12ME FEB'20	12ME FEB'21	12ME FEB'22	VS. 12ME FEB'20	VS. 12ME FEB'21
Total Beauty*	2.4	2.4	2.7	+11% (ROM: Flat)	+45% (ROM: +30%)
Makeup	3.4	3.6	3.5	-12% (ROM: -15%)	+31% (ROM: +35%)
Skincare	0.7	0.7	1.1	+64% (ROM: +6%)	+88% (ROM: +20%)
Hair	3.8	4.0	4.3	+82% (ROM: +60%)	+61% (ROM: +47%)

*Excludes fragrance

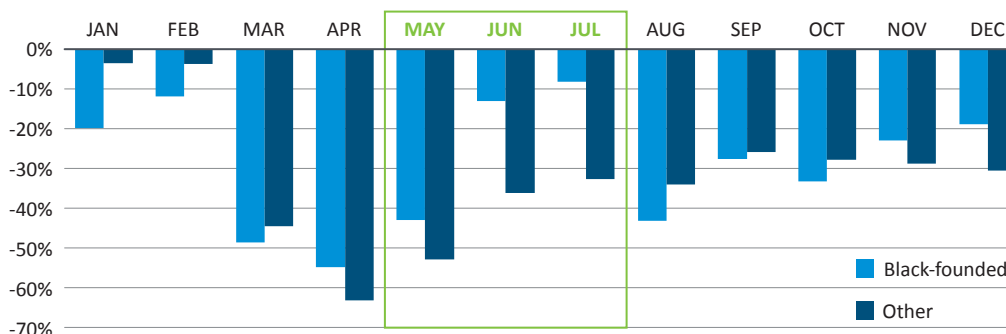
ROM refers to rest of market.

Source: The NPD Group/BeautyTrends®, U.S. Prestige Beauty, Total Measured Market, Internal Field, 12ME Feb. 2022

FACT:

BLACK-FOUNDED MAKEUP BRANDS OUTPERFORMED THE REST OF THE MAKEUP MARKET FROM MAY THROUGH JULY 2020, DURING THE PEAK MONTHS OF THE BLM PROTESTS.

While store closings and other pandemic-related restrictions led to an overall slowdown in makeup sales in 2020, growing attention on Black/African Americans helped Black-founded brands fare better than the overall beauty industry.

Support for Black-founded Brands

The NPD Group/BeautyTrends®, U.S. Prestige Beauty Total Measured Market, 2020 vs. 2019

FACT:**FACE MAKEUP (INCLUDING FOUNDATION, POWDER, AND BLUSH) CONTRIBUTED NEARLY 60% OF BLACK-FOUNDED MAKEUP BRAND VOLUME AND OUTPACED THE REST OF THE MAKEUP MARKET.**

With emphasis on inclusivity, Black-founded brands are a driving force in face makeup shade expansion, offering a wide spectrum of foundation and concealer hues for every ethnicity. Lip products (e.g., lipstick and lip gloss) was the most penetrated product segment and the second highest sales-revenue share contributor for Black-founded brands.

Makeup Segments

PENETRATION	Black-founded Brands				Rest of Market			
	SEGMENT	RANK	\$ SHARE	\$ CHANGE	SEGMENT	RANK	\$ SHARE	\$ CHANGE
4.3%	Face	#1	58%	+49%	Face	#1	46%	+39%
6.2%	Lip	#2	21%	+42%	Eye	#2	11%	+55%
1.3%	Eye	#3	13%	+7%	Lip	#3	30%	+33%

Source: The NPD Group/BeautyTrends®, U.S. Prestige Beauty, Total Measured Market, Internal Field, 12ME Feb. 2022

FACT:**WITH A SIGNIFICANT PUSH AND A TREMENDOUS FOCUS ON BLACK-FOUNDED HAIRCARE BRANDS IN 2020, THE NUMBER OF ITEMS AVAILABLE IN STORES INCREASED DRAMATICALLY.**

And while sales velocity for these brands has slowed down since then, it is still outpacing the rest of the market when compared to two years ago, before the pandemic.

Black-founded Hair Brands: Assortment and Velocity

Avg # of Items Where Carried (Weighted % Change)		3ME Feb'22 vs. 2YA	3ME Feb'21 vs. YA	3ME Feb'22 vs. YA
	BFB*	+44%	+11%	+30%
	ROM	+21%	+27%	-4%
Velocity (\$ Velocity Weighted % Change)		3ME Feb'22 vs. 2YA	3ME Feb'21 vs. YA	3ME Feb'22 vs. YA
	BFB*	+51%	+51%	flat
	ROM	+48%	+43%	+4%

With a significant push and a tremendous focus on Black-founded hair brands in 2020, the number of items on counter increased dramatically. And while velocity has slowed down, it is still outpacing rest of market vs. two years ago.

*BFB=Black-founded Brands
ROM refers to rest of market.

Source: The NPD Group/BeautyTrends®, U.S. Prestige Beauty, Total Measured Market, Internal Field, 3ME Feb. 2022

FACT:**THE TOTAL PENETRATION OF BLACK-FOUNDED SKINCARE BRANDS IN THE U.S. IS 1.1%. DIRECT MARKETING AREAS (DMAS) WITH HIGHER BLACK/AFRICAN AMERICAN POPULATIONS TEND TO HAVE HIGHER PENETRATION OF BLACK-FOUNDED BRANDS.**

DMAs with the highest penetration of Black-founded skincare brands were Atlanta, Georgia (1.6%); Baltimore, Maryland (1.5%); and Charlotte, North Carolina (1.4%). Those with the lowest penetration were West Palm Beach-Ft. Pierce, Florida (0.7%) and San Francisco-Oakland-San Jose, California (0.8%).

Black-founded Skincare Brands: DMA Penetration

DMAs with the highest BFB* penetration within the Top 30		DMAs with the lowest BFB* penetration within the Top 3		Total U.S. BFB* Penetration
Atlanta, GA/ AL/NC	1.6%	West Palm Beach-Ft. Pierce, FL	0.7%	1.1%
Baltimore, MD	1.5%	San Francisco-Oakland-San Jose, CA	0.8%	
Charlotte, NC/SC	1.4%	Seattle-Tacoma, WA	0.9%	
Kansas City, MO/KS	1.4%	Salt Lake City, UT/ID/CO/NV/WY	0.9%	
Philadelphia, PA/DE/NJ	1.3%	Portland, OR	0.9%	
Orlando-Daytona Beach-Melbourne, FL	1.2%	Los Angeles, CA	0.9%	
Las Vegas, NV	1.2%	Minneapolis-St. Paul, MN/WI	0.9%	
Washington, DC (Hagerstown) MD/PA/VA/WV	1.2%	Boston, MA/ NH/VT	0.9%	
Cleveland-Akron, OH	1.2%			
Dallas-Ft. Worth, TX	1.2%			
New York, NY/CT/PA	1.2%			

*BFB=Black-founded Brands

Source: The NPD Group/BeautyTrends®, U.S. Prestige Beauty, Total Measured Market, Internal Field, 12ME Feb. 2022

A long history ... and a bright future

Black-founded brands have a long history and a bright future. While still a small segment of the overall beauty industry, Black-founded brands pack an outsized influence on the market. Not only are they contributing to the overall growth of the beauty industry — but, in their own way and by example, they have also helped to improve the way beauty products are conceived, manufactured, and marketed. They have been instrumental in the industry and are becoming more influential among a larger and more diverse set of consumers.

A common characteristic these brands share across all categories is that they are advocating for a cause, whether intentionally or not: inclusivity from the product-offering perspective, as well as from the industry perspective. And while their share of the beauty market is small, their growth demonstrates consumer, industry, and retailer support for brands that are driven by, and advocate for, values of diversity and inclusivity.

It's clear that with increased understanding of the success of Black-founded brands within the larger prestige beauty market, smart companies can learn how the expansion of diversity and inclusivity can strengthen their own offerings and support ongoing innovations in the overall beauty industry. In makeup, for example, offering more color and shade options to a more diverse set of consumers can be a way to increase the number of consumers buying products. It's also clear that there's more success in store for black entrepreneurs, if they can benefit from the same platform and distribution as legacy and big corporate brands.

What's next?

- To grow your loyal customer base, it's important to find ways to make your brands more inclusive and sought after by a more diverse set of consumers.
- Leverage the success levers that have benefited Black-founded brands.
- Stock Black-founded brands on your retail shelves — and keep in mind that Black-founded brands are not just for Black/African American consumers.

For more data and insights to help you make better — and more inclusive — business decisions, email The NPD Group at contactnpd@npd.com.

