

GUIDE

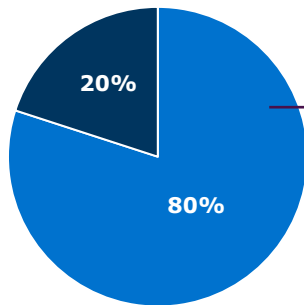
# **DEI in Retail: How an Inclusive Customer and Employee Experience Can Support Sustainable Business Growth**

Common Challenges, Strategies, and Best Practices to Navigate the Path Ahead

# Retail Organizations Need to Accelerate DEI Efforts

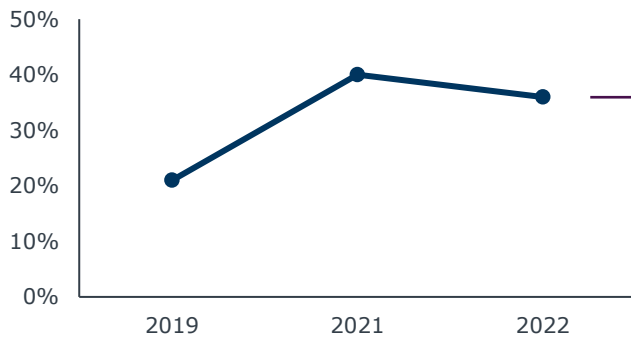
Without change, it will take decades to correct underrepresentation

## Diversity Metrics Are Barely Moving



Eighty percent of employees that work in the retail industry cannot cite any concrete evidence of what their company has done to address gender equality.

## Retail Industry Access to Diversity Programs



Since 2019, nearly every major industry has seen an increase in access to diversity programs. But because investment in DEI programs has stalled in retail, access and participation to them has started to decrease.

## The Case for Supporting DEI Measures

**36%**

of retailers with ethnically diverse employees are more likely to outperform companies without them

**42%**

of ethnic minority shoppers would switch to a retailer committed to DEI

**25%**

of retailers with gender diverse employees are more likely to outperform their competitors



We've been committed to this for years, but it's frustrating how slow change has been—we celebrate if we move a metric half a percent a year."

— Chief Diversity Officer

# Retail DEI Leaders Report Common Concerns

Seramount has 40+ years of experience working with DEI leaders in the retail industry, and our experts work hard to provide our clients with research and best practices to address their unique challenges. Recently, Seramount started a cohort with DEI leaders from retail companies including Puma and Burlington so that they could have a space to share their concerns. Here are four of the top retail industry challenges that were voiced by the cohort:

1

## In Need of a Peer Group



- Having a safe place to communicate with other retail leaders is necessary.
- Retail leaders need a safe space to share challenges and solutions.

2

## Keeping DEI at the Forefront



- DEI problems are easy for leaders to sideline in the wake of an economic downturn.
- Stakeholders aren't invested in DEI efforts because they're more concerned about profits.

3

## Engaging Hourly Employees



- Hourly employees are the most diverse population with most retailers, but are more difficult to engage.
- Successful practices are needed to engage hourly employees in Employee Resource Groups.

4

## DEI Budget Concerns



- DEI budgets aren't seen as a priority right now as we face an economic crisis.
- DEI programs and initiatives are often the first thing to get cut during a recession when budgets are tight.

*Seramount's DEI Research Partnership Offers Many Benefits to Support Retail Diversity and Talent Leaders in Facing These Challenges*



**Expert Advisory Services**



**Best Practice Resources and Tools**



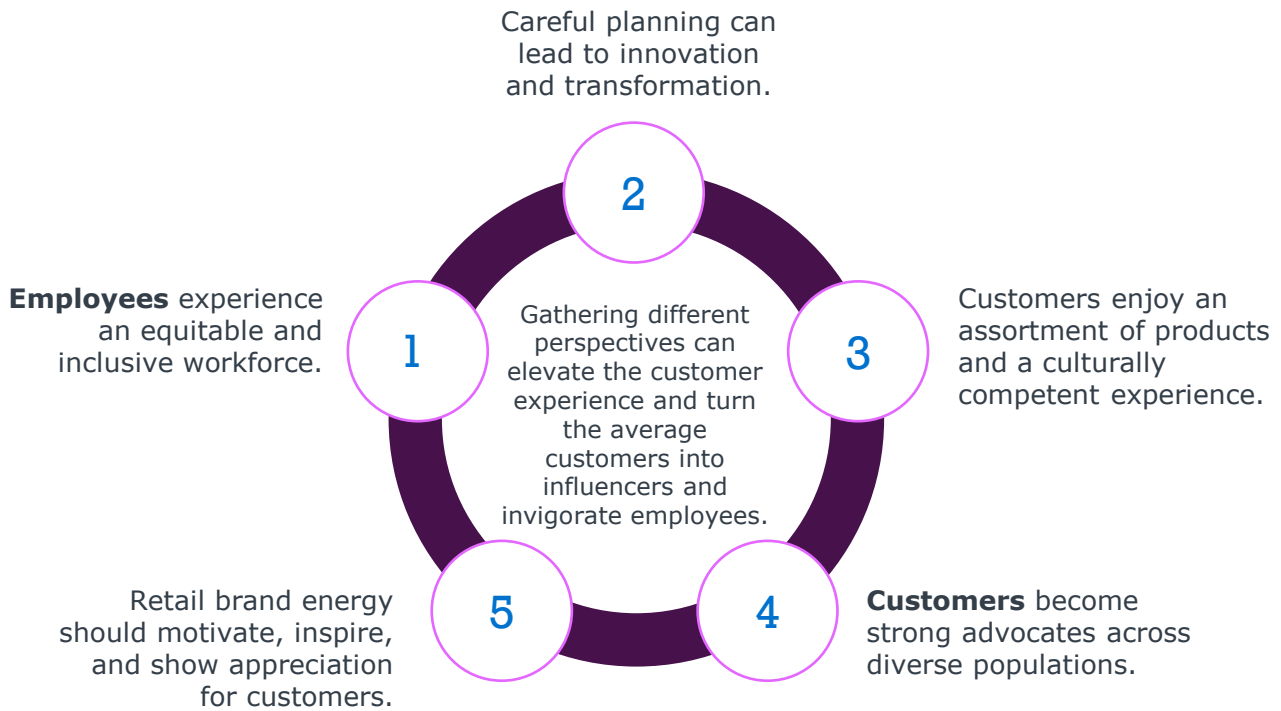
**Member Conferences and Webinars**

If you would like to learn more about how Seramount can support your organization's DEI efforts, please contact James Cowling, Managing Director for Partner Development, at [james.cowling@seramount.com](mailto:james.cowling@seramount.com).

# Employees Can't Be the Sole Focus For Retailers

Delighting customers is the other half of unlocking the full benefits of DEI

## Customers and Employees are Cyclically Linked by DEI Progress

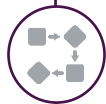


## Make DEI Integral to Your Retail Strategy

### For Your Employees



**Attract and hire diverse talent** through a purposeful approach that balances organizational needs and a thoughtful candidate process.



**Create pathways for diverse talent** to elevate through the ranks with thoughtful and innovative strategies.



**Foster an inclusive culture** that empowers employees and teams and encourages them to reach their fullest potential.

### For Your Customers



**Map your customer base** with regional data as part of marketing strategy.



**Build a product assortment** that caters to a more inclusive audience who are loyal to the brand.



**Offer a better customer experience** to a broader section of the population, with the goal of earning the trust and loyalty of more shoppers.

# Three Ways Retailers Can Advance Their DEI Strategy

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## 1 Encourage Diversity From the Bottom Up

Demographic data shows that the most diversity within retail organizations is at bottom-level positions. Representations within leadership positions is less diverse because it is harder for employees from historically excluded groups to rise through the ranks. Organizations that make a point to not only recruit diverse talent but also to develop them are more likely to retain their employees and see them move into leadership roles.

▶ **1/4** of retail employees quit because of lack of opportunities to advance

## 2 Take Action to Mitigate Bias Within the Customer Experience

In a study conducted by our DBP member organization, Sephora, three in five shoppers reported having experienced discriminatory treatment. By supporting those in retail spaces who often feel underrepresented and underappreciated, organizations will notice a remarkable change that will lead to increased revenue from customers and increased innovation from employees.

▶ **3 in 5** retail shoppers have experienced discriminatory treatment

## 3 Be Transparent About DEI Goals and Initiatives

Companies that publicly share what they are doing to better themselves are more likely to succeed, yet only 24% of retailers say that communicating their ongoing and future DEI initiatives is a key priority this year. An organization's DEI strategy should be communicated to everyone within the organization as well as to applicants who are being considered for hire so that everyone can be held accountable.

▶ **80%** young employees and job seekers (ages 18-35) say that a company's investment in diversity, equity, and inclusion is very or somewhat important to them

It's now more important than ever for the retail industry to prioritize DEI initiatives to enable lasting change. By expanding hiring pools and recruiting from historically excluded groups and providing support for diverse talent to thrive, the retail organizations will have higher retention rates, more innovation, and ultimately see the positive impact on their bottom line.

# Seramount's Members Receive Awards for the Outstanding Accomplishments of Their ERGs

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Under Armour's BEAT (Black Employees Achieving Together) ERG partnered with Devin Allen, a Baltimore artist, community leader, UA Photographer, and BEAT member, to deliver a teammate-led, purpose-driven Black History Month collection to celebrate the resilience of Black culture through sports in UA's hometown of Baltimore. This collection highlights the brand's commitment to accelerating diversity, amplifying BIPOC voices, and supporting Baltimore youth.

Over a two-year period, BEAT teammates drove the creation of the UNDRARMR x DVNLLN collection. They were involved in every aspect of the process including concept, design, product management, merchandising, creative, communications, and DEI, and met with Under Armour executives, including the CEO and Chief Product Officer, to keep strategy and intent aligned.

The result was a fully integrated purpose-led moment for Under Armour powered by BEAT that "became a love letter from Baltimore for Baltimore." By sharing the voices of the community, the responses to the collaboration were overwhelmingly positive. Lastly, Under Armour was able to contribute directly to the Baltimore community through two partnerships: Wide Angle Youth Media and Noisy Tenants.



BRIGHT (Black Resource & Inclusion Group of High-caliber Talent) is Belk's second-most established ERG. Over the years, the team has strived to make Belk an inclusive organization through the enrichment of the Black employee experience. Each year during Black History Month, the group hosts signature events such as their Vendor Fair, where they introduce local Black-owned businesses to corporate associates.

In 2021, BRIGHT aligned with the company's strategy of attracting new customers. The group felt that Belk had the opportunity to better reflect the customers and communities they serve. To accomplish this, BRIGHT advocated for year-round authentic representation and celebration of their customers and communities by creating The Culture Shop.

The leaders of BRIGHT collaborated with DEI leadership, merchants, marketing, and ecommerce teams to launch The Culture Shop via Belk.com. Their goal was to continue diversifying Belk's vendor and product categories by celebrating underrepresented communities such as Asian, Hispanic, LGBTQ+, and more year-round. In only six weeks, the team led the initiative to introduce minority-owned vendors and new product categories, resulting in sales of more than \$100,000.

# Seramount's Retail Member Organizations Are in Good Company

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Our outstanding retail partners are continuing to advance DEI efforts within their organizations and beyond.





# How Can Seramount Help?

## Our DEI Research Partnership Offers Evolving Research And Advisory Services to Support Rapidly Changing DEI Needs And Priorities



### Three Pillars of Service to Help DEI Leaders Effect Change

#### Rigorous Research with a Global Reach

Deploying a Proven Research Methodology to Identify How CDOs at Any Company, Anywhere in the World Are Making Change Happen

- ✓ Annual Research Initiative
- ✓ Resources to Educate Stakeholders and Accelerate Impact
- ✓ Custom Research to Answer Your Up-at-Night Questions

#### The Collective Experience of DEI Leaders at the Center

DEI Leaders Guide and Shape Our Search for Breakthrough Ideas, then Pressure Test What We Find

- ✓ CDO Roundtables and Experience Labs
- ✓ DEI Practitioner Roundtables and Hot-Topic Webinars
- ✓ Regular Convenings to Build Global DEI Leader Community

#### A Commitment to Applying Lessons Learned

Supporting You in Getting Buy-in For Change and Customizing Implementation of Lessons Learned

- ✓ Access to Expert Advisors to Increase Your Capacity
- ✓ Partner Intensives Bring Insights to Your Broader Team
- ✓ Proactive Planning to Drive Progress on Your Priorities

▶ Learn more about how the DEI Research Partnership can propel your DEI strategy forward by scheduling a call with one of our experts.

[seramount.com/contact-us](https://seramount.com/contact-us)



We empower the world's  
most inclusive workplaces.

## Trusted Partner to Organizational Change Agents

### ASSESSMENT AND STRATEGY

**Uncover the Real  
Levers to Unlock  
DEI Progress**

Unfiltered insight into the employee experience powered by innovative technology and over 40 years of DEI data and insights

### RESEARCH AND ADVISORY SERVICES

**Set Strong Foundations  
and Build Actionable  
Roadmaps**

Expert guidance rooted in research and benchmarking to support your strategic talent priorities

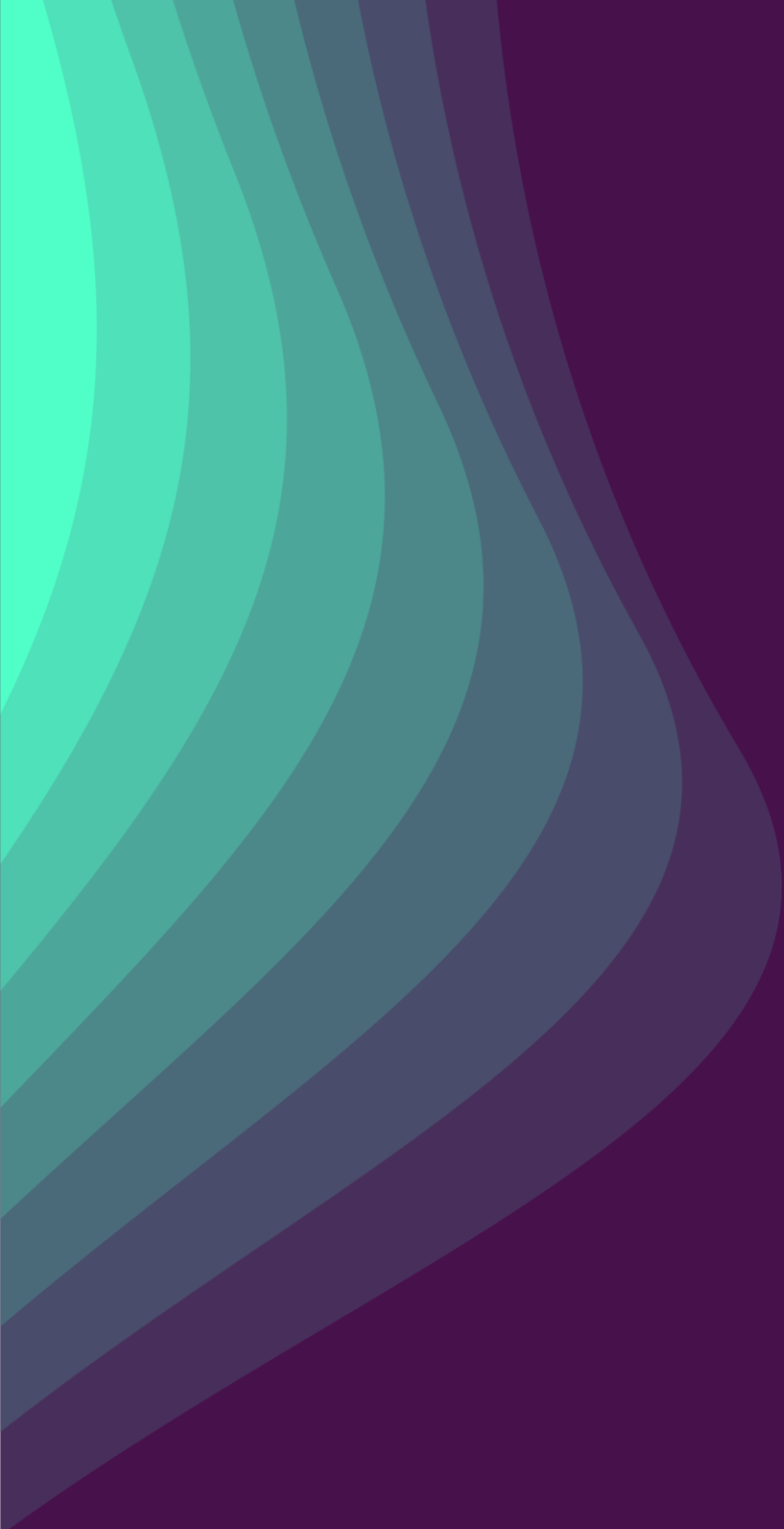
### LEARNING AND DEVELOPMENT

**Transform Your  
Culture by Enabling  
DEI at Scale**

Impactful workshops and events that build core leadership competencies at every level

We partner with **450+** corporations, government entities, and nonprofits **globally**.

We guide **~50% of the Fortune 100** and **~25% of the Fortune 500** on their DEI journey.



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