

RETAIL

Inclusivity will lead retail in 2022: Coresight

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As inclusivity becomes a pillar of consumerism, brands and retailers will only benefit from implementing diversity strategies. Image credit: Nordstrom

By NORA HOWE

Inclusivity has gained significant momentum over the last few years, and brands and retailers have vast opportunities to improve their reputations by implementing socially conscious practices across the entire value chain.

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Diversity in product categories is crucial, but inclusivity impacts every element of a business, from corporate policies and suppliers to shelf representation and marketing. In its latest "[Inclusivity in Retail](#)" report, Coresight Research suggests inclusivity will be a top priority in 2022 and beyond, ultimately driving monetary growth through adaptive apparel, gender-free design, expansive size ranges and investment in diverse leadership.

"Inclusivity, providing equal access to people who might otherwise be excluded or marginalized, is influencing long-term change across all of retail," said Erin Schmidt, senior analyst at Coresight Research, New York. "Inclusive products and corporate practices are no longer a secondary consideration but a necessity for retailers and brands if they are to remain competitive."

Inclusive retail

Coresight estimates that spending in the adaptive apparel market totaled nearly \$1.3 billion in 2021, but that the total potential addressable market was worth \$64.3 billion.

However, the adaptive retail market has been slowly moving beyond just the apparel and accessories sector as beauty and personal care brands start testing adaptive products and practices.



New brand imaging and products mark a new era for the Italian lingerie company. Image courtesy of Cosabella

For instance, Procter & Gamble prototyped an easy-open winged lid to be incorporated in the Olay beauty line in December 2021. The beauty packaging also includes extra grip, Braille text and a high contrast product label.

In 2020 and 2021, conversations around gender-identification categories beyond men and women became more mainstream in workplaces and schools, driven primarily by younger generations.

Last August, Italian lingerie brand Cosabella began its transition toward inclusivity. The brand now offers lingerie and loungewear in new sizing categories beyond women's wear to all people regardless of shape, shade, identity, age and gender ([see story](#)).

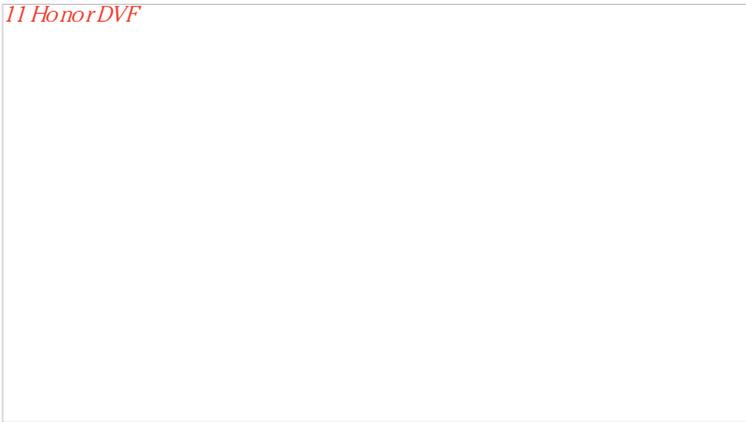
Earlier this year, France's Balmain entered the fine jewelry space with a gender-free and sustainable collection ([see story](#)).

Additionally, the plus-size market has continued to expand with product line size extensions, category launches and designer collaborations.

According to the American Psychological Association, 61 percent of Americans reported weight increases since the start of the pandemic, presenting a clear opportunity for retailers to adhere to various body forms and shapes.

Coresight estimates that the U.S. women's plus-size market will grow by 7.6 percent to \$36.9 billion in 2022.

11 Honor DVF



Diane von Furstenberg wrap dresses for 11 Honor. Image credit: 11 Honor

Due to consumer demand for diversity, inclusivity and organizational transparency, brands and retailers are also changing the way they diversify partners.

In 2021, retailers invested in diverse beauty through strategic priorities, Black-owned brand growth plans and incubator programs.

In partnership with the 15 Percent Pledge, U.S. department store chain Nordstrom announced plans to grow its purchases from businesses owned or founded by Black individuals 10-fold by the end of 2030. The retailer also collaborated on a collection with contemporary artist Cristina Martinez whose work is founded on amplifying the stories of Black and Brown people ([see story](#)).

Diversity programs

Coresight expects investments in diverse brands will help to drive growth in inclusive categories as consumers discover brands and as diverse brands gain traction.

Companies and retailers are investing in mentorship and accelerator programs for diverse entrepreneurs and leaders, which will help inclusive categories grow by cultivating the next generation of brand owners, suppliers and leaders.



L'Oreal opened applications for its Inclusive Beauty fund last February. Image credit: L'Oral USA

Last year, beauty group L'Oral USA partnered with the National Association of the Advancement of Colored People (NAACP) to present a new grant program for Black-owned beauty businesses.

Small businesses in the United States have been hit the hardest by the economic effect of the pandemic, and Black-owned businesses are closing at twice the rate as others, according to The National Bureau of Economic Research.

L'Oral USA and the NAACP awarded 30 one-time grants of \$10,000 each and professional mentorship to promising Black-owned small businesses and entrepreneurs they identified as needing investment ([see story](#)).

LVMH-owned beauty retailer Sephora's Accelerate program focuses on cultivating an international community of female beauty founders and providing curriculum, mentorship, merchandising support, funding and investor connections to its participants ([see story](#)).

In maintaining its commitment to expanding representation within the beauty sector, Sephora has selected only BIPOC-owned brands to participate in the 2022 program.

Beauty founders receive mentorship, branding, product development, merchandising support and investor connections. After completing the Accelerate program, participants also have an opportunity to launch at Sephora.

"Luxury designers, brands and retailers are known for setting trends, not just in fashion styles, but also in innovation for the retail industry, so the industry holds a big responsibility in helping to enact change," Ms. Schmidt said. For example, the luxury industry helped to propel the gender free category forward, as this was a new category.

"Brands and retailers would all benefit from the luxury sector putting more muscle behind each category as the entire industry will take its cues from luxury, which we believe will provide even more category growth."