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By AISHA AL-MUSLIM

Procter & Gamble Co. has been adding more blades to its Gillette razors for years. But in December P&G bought a startup that sells a single-blade razor.

The reason? The small firm's shaving products are designed for men with coarse or curly hair, like many people of color. It is a market that P&G and other consumer-products conglomerates are pursuing by acquiring black-owned brands.

Walker & Co. Brands, the startup P&G acquired, was founded by Tristan Walker to make its Bevel shaving products in 2013. The company has hair-care products for women of color. "I started the business...to serve a community that I felt deserved to be spoken to authentically and deserved products that worked," said Mr. Walker, who will continue to lead the business.

African-American shoppers accounted for \$507 million of the \$4.5 billion spent on hair care in the U.S. last year, according to Nielsen research. Black consumers accounted for

\$489 million of the \$3.6 billion spent on skin-care products, Nielsen found. The spending is largely in line with demographics, as blacks represent 14% of the U.S. population, according to Nielsen.

"Insurgent brands have very close-knit consumers," said Monisha De La Rocha, a Bain & Co. partner who focuses on private equity, retail and consumer products.

Several black-owned consumer brands were created in the 1990s to market to black women at the same time many women stopped chemically relaxing, or straightening, their hair and started to wear their hair naturally, but had a hard time finding styling creams and deep-conditioning treatments. While corporate buyers can expand a brand's distribution, they can turn away customers looking to support a minority-owned business.

"I would hate for some company to take over and not care about the customer like we do," said Wendi Levy, who co-founded Mixed Chicks, a hair-care company launched in 2004. She said she has been

approached about selling the Canoga Park, Calif., firm but would feel uneasy about "selling to the wrong person," which is why she would want a role in the new company.

To address such concerns, P&G and other conglomerates have largely kept founders in place. "We realized the importance with this consumer that the connection comes first," said Lela Coffey, P&G's director of multicultural brand building. "They want to understand that these are products that are made for them by people who truly understand their needs."

Unilever PLC left a co-founder in charge of Sundial Brands—maker of the SheaMoisture and Nubian Heritage beauty products, aimed predominantly at African-Americans—when it acquired the company in 2017. Richelieu Dennis, who started the business in 1992, serves as chief executive of the stand-alone unit.

"We structured a new kind of deal in which our purpose—to provide opportunities for economic sustainability and

reinvestment in our communities—was put at the core of the agreement," Mr. Dennis said. The companies created a \$100 million fund to back women-of-color entrepreneurs and promised to expand Sundial's supply chain in Africa.

Months before it was bought by Unilever, Sundial faced social-media backlash over ads in 2017 that showed SheaMoisture hair-care products being used by mostly white women. The company, then partly owned by private-equity firm Bain Capital, had been trying to be more inclusive in an effort to expand its business.

"We are happy for the company that wants to go mainstream and wants to grow, but we feel you can't besmirch us as your original customer base," said branding expert Karen Taylor Bass, who began to wear her hair naturally in 1989.

Mr. Dennis said he is grateful his customers have "not allowed one moment to redefine who we are and who they know us to be—and neither will we."

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