

Sephora company research paper essay sample

[Business](#), [Branding](#)



Sephora is a French brand and the biggest cosmetics retailer in the world. In 1969, Dominique Mandonnaud built the first Sephora store in French Limoges. He chose an open-sell environment to sell his cosmetics. In his store, customers could experience a totally different shopping journey like visiting and exploring a beautiful cosmetics free land. His special selling model was very popular in that time, and then he opened couple of chain stores. Until now, Sephora still retains this useful and comfortable selling model in stores. In 1994, the cosmetics store used "Sephora" as its name. "Sephora" came from the Greek word "sephos" which means beauty and "Zipporah" which from Moses' beautify wife's name in the bible. This name is completely matching the store's mission statement. In 1997, Sephora became a part of French conglomerate LVMH(Louis Vuitton and Moet Hennessy). Currently, Sephora has approximately 1, 300 stores spread 27 countries in the world. It provides different kinds of products range from skin care goods, fragrance, to hair care and make up items. As a beauty industry, Sephora's missions is to deliver superior products, to make people attractive and beautiful, to create value and to make significant difference in beauty industry.(2) 4p's implement

Product

Sephora chooses to sell multiple brands and covering different kinds of products

such as make up, skin care, fragrance, bath/body, hair, tools/ accessories.

They also sell men's products. These brands include Sephora's own brand—Sephora collection and other brands from different companies around the world such as DIOR, YSL, BENEFIT, and ORIGINS etc. Multiple brands can

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reach different types customers' requirements. In other side, Sephora has a special product that is beauty and trendy service. For example, customers can get professional makeup, have hair styled and doing nail manicure and pedicure in Sephora's store. Also customers can get the information about the new trend in current time, such as new trend for nail and makeup products.

Through using these services, Sephora has more chances to reduce the competition in the beauty market. (3) Special shopping experience is Sephora's another successful part. Sephora provides a lot of products for customer trying freely, including makeup items, skinning care items, and nailing items, and fragrances. This is a smart marketing approach; it can help Sephora catch more potential customers. Especial for beauty products, customers need to touch and feel them directly. Sometimes, customers went to the store just walking around, but if they tried some products occasionally, they might buy it. In long time, it will bring more and more customers back and purchasing in the store. Moreover, Sephora's fresh and exclusive shopping experiences not just create amount of value for the company, but also proving a lot of benefits for the customers. Place

Sephora uses multiple channels to operate stores. The first channel is physical store. Generally, Sephora was opened in the shopping mall or metropolitan areas, because most mall and metropolitan areas have a lot of foot traffic, such as Sephora physical store on Fifth Avenue in Manhattan NY where a huge number of tourists visiting. There is a report about the first Sephora store in downtown Manhattan said it did \$10 million in sales at first

year of operation. (4). In 2006, Sephora chose to corporate with JC Penney and operated some mini store in certain locations of JC Penny. Until 2010, Sephora opened 161 store-in-store locations that bring \$1 billion in sales. (5) The second channel is online store. In 1999, Sephora built the first online beauty website- sephora.com providing comprehensive beauty products and customers' feedbacks. When customers searching the products online, they also can get some information about the products from other users. It is a useful and practical way to help customers choosing products.

The third channel is Sephora app in iPhone and iPad. With iPhone and iPad are so popular in our life; Sephora also provides a Sephora application for customers downloading in iPhone and iPad. Customers can use the application to shop beauty product, know the new trend and check their order anytime and anywhere. Currently, you also can download your VIB member card in your iPhone passbook, so when you go to Sephora, you just need to show member card through your phone, it is very convenient. The fourth channel is using automatic vending machines. There is a report showed automatic vending machines sold Sephora's top 50 products from 2006 to 2010. Currently, their effectiveness is being assessed. (6) Promotion

Sephora uses twitter, Facebook, Bi-weekly emails and website to get promotion and affect customers' minds. Facebook and twitter are two very popular social networks. In Facebook, there are 4, 531, 995 like Sephora, 75, 981 talking about this. Also in twitter, Sephora has 290, 000 followers. All these data from the two networks' website. Sephora updates their sites with daily tips, new products, trendy products and other beauty information every

day. Also people will give their feedback, comments about Sephora's products. Customers can utilize this helpful information to know more about Sephora and built more loyalty for this company. In other aspect, Sephora uses Bi-weekly email to promote. These email context including new products, in-store special events, sale announcement, VIB member events and particular coupons. Actually, when I get this email from Sephora, I will go to the website and tell my friends some special events. Beauty Inside Loyalty program is another promotion for Sephora.

This member card is free for all customers and customers can get coupons, discounts and points after they spending the certain money at Sephora, for instance, customers can receive on free deluxe-size product after they spend \$100 at Sephora. Customers also can update to the Very Important Beauty Inside card after the card reaching to \$350 benchmark. I am the VIB member for Sephora and I can get every point from my each purchase. When the points reach the certain amount, so I can get some free products. Also I got the 20% off discount during the thanksgiving; it is really worth to shop in that time in Sephora. Additionally, Sephora has some promotion on the online store, for example, when customers' orders over\$50, they can get free shipping; customers can get free return; sometimes customers also can get free samples with every order. All these effective promotions increase Sephora's presence for customers. Price

Sephora is not just focus on the high level customers who can buy expensive beauty products such as Chanel, Dior, YSL, it also targets some other levels customers who can buy moderate or cheaper products. I will take mascara

as an example. If you choose Sephora collection mascara, it just cost \$12; but if you choose YSL luxurious mascara, it costs \$30, or you can choose some moderate price mascara like MAKE UP FOR EVER that costs \$23. Various prices can reach different customers. Also when customers shopping in Sephora, they can compare the same products in different price, it is valuable to know which mascara they should buy. Although high price with high quality, sometimes customers do not need spend more money if they can just use lower price products to reach their requirements. In addition, Sephora also provides mini package of some products for customers traveling or using temporarily, and the price reduce to half of the original price or more. For example, benefit mascara has two types, mini mascara cost \$10, the original mascara cost \$23. If customers want to travel or want some portable mascara, it is a better choice. Thus, different prices range help customers making well-informed purchasing decisions. SWOT ANALYSIS

Strengths

The first strength for Sephora is multiple brands products. Customers can select most products when they go to Sephora stores; it is very convenient and helping customers saving time. Also multiple brands and price option can attract different levels' customers. In addition, Sephora's private label brand—Sephora collection is another strength. This collection carries high quality products like make up, skin care, fragrance, tools/accessories and hair care, and the price is affordable for most customers. There is a data showed Sephora collection' sales amount occupied ten percent of the total amount. (7) The second strength for Sephora is particular self and freely service in the store. In Sephora store, customers can enjoy comfortable

purchasing experiences; for example, they can test any products and compare them by themselves, and then choose what they really want.

This experience is only in Sephora, because in other store you should ask the assistant's help before you want to try some products. Actually, Sephora using this special self and freely service to relieve customers' shopping pressure, because sometimes customers will feel pressure if they did not buy the products after the salespeople helping them testing the products in most other store. If company wants to catch more and more loyalty customers, giving customers comfortable and relaxed shopping experiences is necessary. Additionally, if customers need some help or suggestions about any beauty products or gifts for your friends, families, there are some experts can give you some useful suggestions and help you to make better decision to buy the worthy and useful products. In other aspect, Sephora will collect customers' shopping habits through the website, the member card. Then Sephora using these information to get promotion for some specific market and customers, in order to get more effective target market.

Weakness

Although Sephora has plenty of strengths, there are still some weaknesses existed. First, Sephora just uses Internet to promote their products, like Facebook, twitter, email and website, so they will lose print advertisement and television customers. Second, most Sephora stores was operated in metropolitan areas, so they will lose the suburban customers. In America, suburban residents have a huge percentage, if Sephora stores just in

metropolitan areas, the suburban residents will lack of the brand recognition for Sephora which a factor to limit the size of customers. Opportunities

Sephora started to open stores in the suburban districts such as the Trumbull mall in Connecticut, it is an opportunity to increase the suburban region customers. Nowadays, green and organic products become a trend in most areas, plenty of companies started to produce and sell the green and organic products. Sephora also can carry some green and organic cosmetics products in stores. In other aspect, Sephora continues to open the 30 stores per year in different countries, which will bring a lot of international business, for instance, Sephora has already operated 121 stores in china. (1)

Additionally, Sephora started to sell men's product that is another potential market. According to some data from research showed four out of ten men will use face wash and skin lotion, moreover, some men started using cosmetic products in their daily life. In addition, demographics change is a new opportunity for Sephora. A report mentioned from 2005 to 2015, the amount of the women whose age is 18 and over 18 will increase, and this is a potential market for Sephora. Women whose age between 45 and 64 increase to interest in the Sephora products to make them look good. (8) In America, minority populations increased that is another opportunity for Sephora, like Asian, American Indians, African Americans and Hispanics have strong buying power. Cooperating with other companies such as JC Penny is also an opportunity to increase the brand recognitions and new customers.

Threats

The first threat is competitors. There is other cosmetics retailers which sale the same products, such as Nordstrom, Meier&Frank, Victoria's Secret and Bath &Body works/ Body Shop. Customers can buy the same products in either these stores. Personal selling likes Avon, Mary Kay that can be considered as another threat for Sephora. Promotion competition is another threat for Sephora. Different retailer will choose various promotions to appeal customers, such as discounts, coupons, and some free samples. If customers want to buy some products that provided among these retailers, they might choose one retailer, which has more benefits promotion for them. So Sephora will face some treats under this circumstance. Conclusion and recommendation

Overall, Sephora has done well in most parts like products, place and promotion and price, but there do still exist familiar retailers, so the competition cannot relieve. In order to facing the competitions, Sephora has found some methods for resolving problems, such as corporate with other company, using different promotions. Additionally, there are some thoughts for Sephora, trying to find out some innovative approaches in service that might bring new chances to improve on. First, Sephora can choose to corporate with some designers to design the package of its provide label cosmetics collection. Customers always be attract some new and fashionable stuff. Second, Sephora can do something innovation on its packaging bag. For example, they can use four seasons' themes and certain celebrity days to decorate their packaging bag. Every season and celebrity day use special bags that can express unique time. After shopping in Sephora, each customer brings the particular bags walking around in the street or mall, and

it must catch people's eyes. Through this approach also can increase people's brand recognition for Sephora. In other part, Sephora can change paper bag to recycle bag, which is a green products for the environment. Actually, Sephora will give free recycle bags in some certain time at certain store, they should extend it to each store, so people can reuse the bag. It is really good for the environment.

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