

Ulta salons and cosmetics swot analysis

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Syrenthia Love Principals of Management 303 Professor Hand Let's face it, people all over the world love beauty. Holy wood is obsessed with it. Like many women in America and all over the world, we want to look our best, we want to look and feel beautiful. Women and some men want the gift of youth and beauty and will go to great lengths to attain it.

After pondering about what I was going to write my SWOT analysis on, I decided to go for what I know best: Beauty Products!

I decided to conduct a SWOT analysis on Ulta Salons and Cosmetics. The acronym, SWOT stands for strengths, weakness, opportunities and threats of a particular company. Not only am I found of their beauty products and cosmetics, but I am a former employee of the company. Therefore, I have a little more insight. Like with any business, Ulta has a mission statement.

Ulta Salons and Cosmetics mission statement reads “ We are the largest beauty retailer that provides one-stop shopping for prestige, mass and salon products and salon service in the United States.

We focus on providing affordable indulgences to our customers by combining the product breadth, value and convenience of a beauty superstore with distinctive environment and experience of a specialty retailer”. Strengths Our text defines a company's strength as a skill or capability that enables an organization to conceive of an implement its strengths. (Griffin, 2008). Every business needs to be able to identify their particular strengths that they have. It's what they bring to they table, what sets them apart.

Ulta Salons and Cosmetics have several strengths that they can bring to consumers.

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The first strength Ulta has is the fact that they offer quality products. They sell pretty much every mass cosmetics name brand you can think of. From L’Oreal, Cover Girl to Rimmel, Revlon, Max Factor, and even Maybeline. They have it all.

Not only do they sell the “ regular” cosmetics such as the ones mentioned, but they also sell what they call “ prestige cosmetics”. These prestige cosmetics are widely used by the celebrities and cost more, but they are well worth they price. Some of these prestige cosmetics include the ever so popular Bare Essentials, Smash Box, Stilla, Urban Decay, Lorac and Studio Gear, just to name a few.

Not only does Ulta offer a wide range of cosmetics and anti-aging products, but they also offer a variety of salon products and styling tools, such as the Chi flat iron, Hot Tools curling irons, and other name brand styling accessories. Ulta has also sells the latest and classic fragrances.

Having specifically worked in this department, I know first hand of the wide range in fragrances this beauty store offers. Customers are eager to buy the newest fragrance from Mariah Carey, Usher, Sean John, Dolce and Gabbana, Liz Taylor, Michael Kors, Vera Wang, Alfred Sung, Clinique, and Armani.

Those are just a small fraction of the perfumes they carry. Having a wide range of products is always a strength when having a business that caters to customers. Another strength that Ulta Salons and cosmetics have is the services they provide for their customers. Potential customers who may need some guidance about a particular product or how to apply the product can always ask one of the trained beauty consultants.

Not only does Ulta have professionally trained make-up artist at hand, but Ulta also has an upscale salon and spa at the customer's disposal.

Customers can come in and get their hair styled and get a professional facial from a trained esthetician. These are the types of services a customer loves to have access to. One other strength that Ulta Salons and Cosmetics have is the location. All of the businesses are located in heavily trafficked shopping centers.

Their website states “ We are conveniently located in high traffic, off mall locations”. They are all placed where people are spending money shopping. That means there is a greater chance for Ulta to gain potential customers. I was employed at the Ulta in the Willowbrook Commons Shopping Center.

This particular Ulta is right across the street from the popular Willowbrook Mall. The more people that drop by the store to see what Ulta has to offer, the more chances Ulta has in making a profit.

For every customer, there is a sale. These are just some of the strengths that I believe Ulta has to offer in this business market. Weakness I believe every business has its shortcomings. These shortcomings are called weaknesses in the SWOT analysis. If a company can identify their weaknesses then they can start addressing these weaknesses and start making the necessary modifications.

Ulta has several weaknesses. The main weakness in my opinion they have is competition from other retailers. Wall-Mart, K-Mart, Target, and other grocery stores tend to carry some of the same products as Ulta. Now, they may not carry some of the specialty products and cosmetics like Lorac and <https://assignbuster.com/ulta-salons-and-cosmetics-swot-analysis/>

Sue Devit, but these stores carry the same mass cosmetics as Ulta. One can walk into Wall Mart especially, and purchase Revlon, Neutrogena, Maybeline, and Cover Girl in the make up department. Competitors such as Beauty Brands, Sephora, and Trade Secrets are also giving Ulta a run for their money.

Beauty Brands sells the same products as Ulta and is situated near malls and other major shopping centers. Sephora, is located in the mall. That is a major disadvantage to Ulta. Those customers don't have to leave the mall and go to Ulta. They can easily walk into Sephora and buy their fragrances or cosmetics. Another weakness is Ulta's price range.

Now granted that they have coupons and great sales in their ads that come out on Sundays, but their prices can be a little steep on some products. For example, some customers may be reluctant to spend \$6.99 on Neutrogena face cleanser at Ulta, when they can go to Wall Mart or Target and get it for \$4.99. Some of their prestige cosmetics can be pricey.

A tube of Stri-Vection eye cream can run about \$109.00. To the majority of us, that is quite expensive. Prices can mean the differences between getting a sale and losing one. Customers are always looking for the best deal and lower prices.

While it may not be extremely important, but I think another weakness Ulta Salons and Cosmetics has is the fact that they are not international.

Ulta only has 211 stores spread over 26 states in the U. S. Wall Mart has a store in every state in America and has conducts business internationally.

Even though customers can shop online, it would be a greater advantage to Ulta if they decided to expand internationally.

But doing that, it will increase their profits dramatically. I would like to see more Ulta Salons and Cosmetics stores in America as well as in Paris, London, China, and in the Caribbean. Opportunities Business must assess their opportunities when they decide to enter the business world.

By conducting the SWOT analysis, Businesses have a good understanding of their opportunities. The first opportunity I think Ulta has comes from within the technological dimension. They have expanded their business by making their business accessible online.

Shopping online is a growing trend amongst consumers. Customers do not have to go out in the hustle and bustle of the crowds in the shopping center to shop at Ulta. Nor do they have to stand in any lines to make a purchase. Customers can just go to www.ulta.com

and purchase items directly from the store.

By allowing customers to shop online from them, Ulta has just made an opportunity to generate more profits. Another opportunity comes from the sociocultural dimension. Ulta offers customers the ultimate shopping experience. Customers shop at Ulta for the ambiance it has. People flock to Starbucks to sit down in a nice atmosphere and enjoy a good cup of coffee. Ulta has that same formula. Ulta has the three E's that they go by: Escape, Education, Entertainment, and Esthetics. Customers can see, taste, smell, sample, and become educated about the products they might be interested in.

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Customers can't say the same at Target or K Mart.

Ulta offers customers an uplifting experience when they come into the store. Another opportunity that Ulta has taken is the fact that they can offer the same products the Stars or famous people use to everyday people. That gives customers the same access to the top of the line products that Hollywood swears by. In-Style magazine for instance gives readers insight to the "best products Hollywood" to buy. For example, Murad's Body firming Cream is used faithfully by Angelina Jolie-Pitt.

People read this magazine and want to know where they can purchase these high end cosmetics. In the magazine, Ulta Salons and Cosmetics have an advertisement page and customers know they can flock to Ulta and purchase them. By having these popular high end products offered to their customers, then that creates an opportunity for a sale. Threats Finally, we have the threats segment of the SWOT analysis. Our text describes organizational threats as an area in the environment that increases the difficulty of an organization's achieving high performance. (Griffin, 2008).

These potential threats can harm the business and eventually if not handled appropriately can wipe the business out. Ulta Salons and Cosmetics have potential threats like any other business. One of the threats comes from the economic dimension and that is our current economic state. Right now it is apparent that our economy is not in the best shape. Wall Street is in a rut our stocks are down, consumer faith is down and middle class people are struggling right now to get by.

This could pose a huge threat for the survival of Ulta.

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The average American is now thinking twice about splurging in specialty stores such as Ulta, Sephora, and Beauty Brands. With our economy in a slump, Americans are spending less and going without. Ulta needs to take a look at this threat and figure out ways to get customers back in their stores and implement them. Another threat to Ulta is the fact that their “upscale atmosphere” may rub customers the wrong way.

This type of threat comes from the sociocultural dimension. Some customers who have no idea what Ulta is may feel overwhelmed or may feel out of place when they step inside Ulta Salons and Cosmetics.

They may feel as though the sales associates are “snooty, or uppity” because it is not the same environment as WallMart or Big Lots. The environment is totally different and may not sit well with people who are not well aware of the products there. This is an upscale specialty store and they have a certain atmosphere that comes with it.

This, in turn, can lose customers. Having worked there for a year, I know first hand how the atmosphere of the store is. The last threat that I could think of could be the fact that other stores are expanding and offering the same products and lower prices.

This creates competition for the consumer’s dollar. Heavy hitters such as Wall Mart always seem to have the upper hand when it comes to getting the consumers money because I think they try to offer a wide range of products and lower prices.

This threat comes from the economic dimension. Generic products also pose a threat for Ulta Salons and cosmetics. Consumers already don’t want to pay

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regular price for anything, and now if they find a generic anti-aging cream at Wall-Mart with the same quality, then I think Ulta will lose customers.

These are just some threats that Ulta Salons and Cosmetics need to consider. After conducting this SWOT analysis, I have learned a great deal about Ulta Salons and Cosmetics.

Even though I was an employee there, I have a better understanding of how this company operates. By a business, especially a new business, taking the time to sit down and complete a SWOT analysis, it can give owners a great deal of insight about their company and the business market they are about to enter.