

Value chain for loreal

Business



The value chain within an organization consists of both primary and support activities. Inbound logistics, operations, outbound logistics, service, and sales and marketing are primary activities. On the other hand, firm infrastructure, HRM, technology development, and procurement are support activities (Appendix).

Inbound Logistics

L'Oreal used to obtain raw materials and resources from effective suppliers in order to offer high quality unique and differentiated products to target customers. Low supply chain lead time and improved inventory turnover helped L'Oreal to bring efficiency in its overall internal supply chain management process.

Operations

The management of the organization sources high quality natural raw materials from the suppliers. Original extracts from flowers and leaves are being used to manufacture beauty products and cosmetics (Gong, 2013, p. 75). In addition to this, the organization has developed a strong research and development team that helps the organization to manufacture quality products at a reasonable price level.

Outbound Logistics

The organization has its own distribution channel. In addition to this, the organization has established its own retail chain stores across the globe. The distribution team of L'Oreal used to distribute the products to retailers, wholesalers, dealers, and large retail chain stores (Tang, 2007, p. 32).

Marketing and Sales

The management of the organization implemented both online and offline promotional marketing strategies in order to create significant brand

awareness among the target customers. Effective celebrity endorsement is the major strength of this brand. In terms of sales, the organization adopted and implemented an aggressive selling strategy in order to enhance a positive sales growth rate.

Service

The management of the organization has ensured an effective customer service management process in order to meet the market demand and satisfaction level of target customers. The customers can post their questions and queries in the FAQ section on the company website. The efficient customer support team of the organization expertly provides effective solutions to the asked questions by customers (Peng, 2009, p. 91). It helps to increase the level of customer loyalty.