

Sephora Direct: Investing in Social Media, Video, and Mobile



Sephora Direct: SWOT Analysis

Current Marketplace

US Beauty & Personal Care Market
 - \$58.9B in 2009
 - Competition - Macy's, Nordstrom, MAC, ULTA, Amazon.com & Beauty.com

SEPHORA
 - 1,000 stores in 23 countries
 - 150 (in US & Canada) (30 states)
 - Sephora.com - top 50 retail websites - 3M unique monthly visitors - capturing roughly 30% of US online market
 - Promotions - samples rather than discounts

Introduction and Company Background

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Humble Beginnings

- 1969
- 1979

Expansion

- 1993
- 1997
- 1998
- 2006
- 2010

Distribution Channels

- Traditional Media
- Website and Online Advertising
- Social Media
- Public Relations
- Mobile Marketing

Marketing Objectives

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Breakdown of Sephora's Marketing Expenses

- Retail
- Online Search
- Beauty Insider
- Social/Digital

Recommendation Debate

Marketing Strategies

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- **Traditional Media (Retail)**
Print, Catalogs, Store Animations
- **Website and Online Advertising (Online)**
Sephora.com, SEO
- **Social Media (Online)**
Facebook, Twitter, Beauty Talk - highly successful
- **Public Relations**
Beauty Insider Loyalty- Email Marketing (Online)
Contests, Sweepstakes, Events
- **Video (Online)**
Youtube - User Generated Content (UGC)
- **Mobile Marketing (Online)**
iPhone and other platforms
high cost, high downloads

Target Customer

- 30% of 24-34 year olds shopped in store at Sephora.
- 40% of online shoppers between 25-44 years old.
- **High Relative Advantage**
low change in behavior = high benefits = success.
Younger and Older women looked up to target market
3 market segments
- Customers "Grew up with the company" and were "Young, Hipper" than department stores.
- **High accessibility to technology:**
20% used search engine to shop for beauty products.
- **Prestige:** 50% of online had \$60K+ income.
60% of online shoppers spend over \$25/month on beauty

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Introduction and Company Background

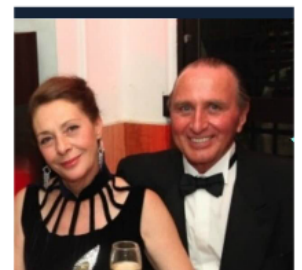
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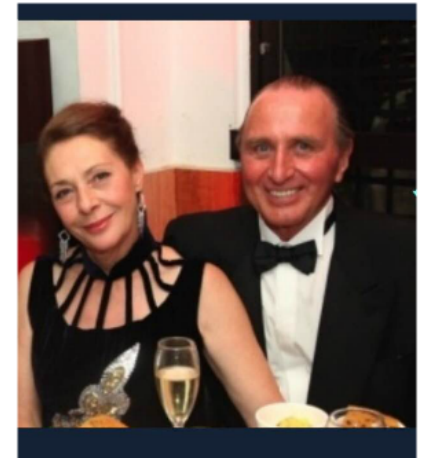
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Marketing Objectives

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Breakdown of Sephora's Marketing Expenses

Social/Digital,
\$1,000,000

Retail



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