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Date

Brand Case Study

**Background**

The business organization of Sephora is Paris-based French multinational corporate chain of personal care and beauty products. The first beauty product store of this brand originated in France in 1969 and later developed by the business corporation of LVMH in 1997. There is a high range of beauty products selling by the organization of Sephora. There are almost 300 brands with the consideration of private label trade by the company. The business corporation of Sephora offers a vast range of beauty products in the forms of cosmetics, skincare, body fragrance, nail colors, different beauty tools, and hair care products.

Detailed consideration of the historical background of Sephora is also essential to define the actual development of this organization. Sephora started its corporate journey in the 1970s with the initiative of Shop 8 by Dominique Mondonnaud in the form of perfumery store. It is vital to mention that this business is rebranded as Sephora in 1993 after the retirement of Mondonnaud. In 1997, Louis Vuitton Moet Hennessy (LVMH) purchased the brand and eventually expanded the business approach in different parts of the world (Singh 611). Consideration of the current situation of the business is also integral to define the actual business positioning of Sephora. Current statistics explicitly indicates the potential of profitability and productivity that prevails in case of Sephora. Sephora has been operated in approximately 190 countries across the globe with the high tendency of profit maximization. Undoubtedly, the business corporation of Sephora captures the big portion of the beauty industry in the form of leading business player. The presence of the organization can be observed in almost every leading city of the world by offering 3000 different beauty brands. When it comes to the aspects of cosmetics and personal luxury products than Sephora is one prominent name on the global map.

**Competitive Situation**

A critical assessment of the competitive market situation is necessary to evaluate the current threat of competition that exists for Sephora. Currently, the beauty industry is extensively growing with the existence of many beauty products and brands. It becomes essential for companies to adopt different innovative strategies to meet a higher position in the global beauty industry. There is a range of direct and indirect competitors exist for the business organization of Sephora. Detailed analysis of the global beauty market identifies MAC Cosmetics, Ulta Beauty, Nordstrom, Macy’s and Urban Decay Cosmetics are recognized as the main competitors of Sephora.

Business organizations adopted different strategic aspects to distinguish their position in a competitive corporate environment. It is observed that competitors in case of beauty industry focusing on a niche to distinguish their business domain from other beauty organizations. This specific approach is established as one useful business strategy to ensure a better business position in the market (Weber 10). The prospect of niche marketing is used by business corporations to attain better forms of competitive advantage. The prospect of niche marketing encourages companies to expand their potential in the form of specializing in a specific product or brand to meet the requirements of targeted consumers. Deep analysis of the beauty market reveals that the business organization of Sephora is also actively linked with the domain of niche marketing. Sephora is taking significant practical measures to ensure its prominent position in the overall competitive landscape of the beauty industry at global business level. It is critical to examine how Sephora take distinguish corporate position against its direct and indirect competitors. Development of customers’ loyalty programs is one protruding strategic approach adopted by Sephora to attain and sustain its strong position in the competitive market (Huang and Sternquist 620). The beauty organization of Sephora is committed to offering a variety of luxury brands, perfect return policy, and free samples of the products to acquire the effective form of the niche in the beauty market. These particular measures eventually assist Sephora to gain a competitive advantage as compared to other companies working in the industry as competitors.

The growing competition in the industry is one major threat for Sephora and it is important for the organization to adopt necessary practical measures. The risk of unexpected competition prevails in the case of cosmetics industry due to the features of innovative developments and suitable customer care. It is essential for the organization of Sephora to adopt proactive business measures to successfully address the potential hazard of growing competition in the industry.

**Growth Strategies**

Identification of the growth strategies of Sephora is essential to figure out the actual business direction of the company. The current approaches in case of branding and marketing help to determine the potential goals and objectives of the business organization. The practical aspects of advertising, PR, and social media characterized as the main indicator to enhance the marketing approach of the product or the brand. Assessment of the current position of Sephora indicates that the platforms of advertisement, PR, and social media are greatly utilized by the management to achieve higher productivity goals in the competitive cosmetic industry. Different technological advancements utilized by the organization to develop a better and active business relationship with potential customers. The practical approach of the innovation lab is introduced by Sephora to provide successful digital experience to the customers in the forms of virtual make-up application, advanced shipping membership, and the availability of huge range of beauty videos. The organization of Sephora developed strong integration with the platform of YouTube on its website to deliver basic make-up application techniques to the customers in an easy manner (Choi and Valikangas 425). The company of Sephora enhances its public relation approach by offering a mobile app for its customers. This specific growth strategy makes it convenient for the customers to attain exclusive in-store access in the forms of different tutorials and product reviews by different critics.

Proper integration of retail and digital marketing strategy is the significant measure adopted by Sephora to attract as many customers as possible. Complete shopper data is used by the company to ensure the proper incorporation of the retail and mobile experience for the customers. The marketing information is also used by the company to enhance the buying experience of the customers. The prospect of mobile App assists the organization to make better inferences about the habits of the customers and offer products according to their actual demands. The main objective of the company is to establish a quality experience for every customer considering the domains of the web, mobile app, and in-store approach.

A critical examination of the financial performance of Sephora is also a critical step to identify the actual position of the company in a global beauty industry. Consideration of the corporate statistics can be helpful to determine the effectiveness of the growth business strategies currently adopted by the management. Successful combination of different branding tools is an essential step for the organization to meet the standards of profitability and business growth. It is substantial to examine the performance of the organization through its marketing and financial prospects. Innovation is recognized as the basic priority of Sephora which is established by different developmental measures to increase productivity level. Financial reports of the current years revealed that the approach of sustained growth is successfully achieved by the company of Sephora by adopting different omni-channel paradigms. It is also crucial to indicate that financial performance of Ulta appears as a great threat to the business approach of Sephora. The growing comparable growth of Ulta is the growing hazard for Sephora in the form of increasing competitiveness of the global beauty market.

**Future Concerns**

Strategic analysis of current position of Sephora is essential to identify future concerns in the forms of potential threats. Growing competition in the beauty industry is one major concern for the company that requires necessary and immediate practical measures. There is a need for offering strong vendor relationship to increase the horizon of business opportunities for the organization. It is vital to determine the potential hazards for the company in case of future direction. Ulta’s recent success is the major threat for Sephora that requires necessary attention. It is critical for the organization to enhance its business approach to attract potential global customers as much as possible. There is a need for proper planning to ensure appropriate integration of different strategic aspects. Surviving retailing is critical aspect that requires suitable and comprehensive business planning. Adoption of proper digital services is one prominent practical step that can be helpful for the company to achieve desired outcomes of profitability and brand development in future. Negative brand association in the form of retail strategy is one critical aspect that requires necessary attention. JCPenney’s demise is one critical reason that increases the risk of low productivity for the organization (Rayome 6). It is important for Sephora to offer some practical measures to minimize the loss of the issue of negative brand integration. The existing issue in case of retail landscaping can be a risk aspect for the company in case of future domains. Competition in the form of customer service is rapidly growing through the adoption of different innovative strategies. It is vital for the organization to ensure the proper integration between novelty and customer care.

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