

WORKPLACE INTEGRATION - INTERNSHIP

The Future of The Beauty Industry

Maria Pronina 1432449

SEPHORA AND ITS COMPETITORS

LISE
WATIER

SHOPPERS
DRUG MART



SEPHORA



Glossier.

L'ORÉAL

SEPHORA



- B2C
- Opened in Montreal in 2012
- 56 stores across Canada
- Huge selection of brands, many of them exclusive
- Great return policy
- Super fast shipping
- Targets men and women 20-60
- 3 tiers of membership
 - **Insider - Free**
 - **VIB - 350\$ + a year**
 - **Rouge - 1000\$ + a year**
- Subscription box available

L'OREAL

- Global giant of personal care and beauty
- B2C and B2B
- Arrived in Canada in 1958
- 1,300 employees in its newly renovated Montreal headquarters
- Distribution centre and 300,000 square foot factory in Ville St-Laurent
- 215 million products produced and exported to the US in 2018
- Wide range of price points, from affordable to luxury
- Targets men and women 0-100 years old



PHARMAPRIX - SDM in other provinces

- Acquired by Loblaws in 2013
- Expanding its brands rapidly
- Opened its 1000th SDM store in Toronto in 2007
- The Boutique Beauté targets men and women 20-75
- Advantageous PC Points Rewards program
 - 15 points for every dollar spent in store
 - Frequent events that multiply points
 - equally earn and redeem points at Provigo, Maxi and Loblaws, making savings on personal and beauty care and for the family as well

GIFT WITH PURCHASE

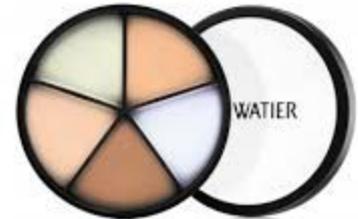


beauty for sensitive skin



LISE WATIER

- Established in 1972
- Strong brand identity in Quebec
- Laboratory tested, patented ingredients
- 1500 points of sale across Canada
- Targets women 35-75
- Medium price range
- Owns Marcelle, a more affordable drugstore line, sold in Walmart, Jean Coutu and SDM (As well as online shipping)

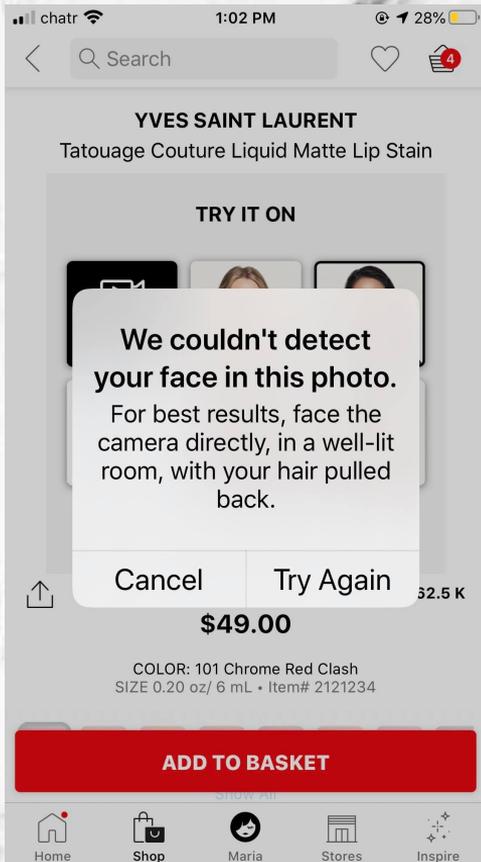


GLOSSIER

- Founded in 2014, it started as a blog, Into The Gloss
- B2C
- Expanded it's online distribution to Quebec in 2018
- Fresh, young and fun aesthetic
- Targets millennials
- Simple to use products aimed at those who like a natural look
- Small product range with 22 makeup, skincare and body products
- Has a cult following



CURRENT SITUATION ANALYSIS



CHALLENGES

- Stores closed all across North America
- No physical interaction between consumers and products
- Shipping delays
- Low Incentive to buy given stay at home rule
- Less employees to cater to higher demand
- Lots of layoffs
- Uncertain future for retailers
- New store openings postponed indefinitely
- Certain online services are lacking, such as the Sephora virtual try on and online customer service

CURRENT SITUATION ANALYSIS

- New competitors offer better perks, rewards and incentives to buy
- Pharmacies are the only physical beauty destination during Covid19
- Competition has been fast to respond to the crisis

Good morning, Maria. ☀

ROUGE 1040 points

New For You ²

View all >

BeautyINSIDER

Spend \$75
NOW

Get 15% off*
LATER



Shopping Is About to Pay Off!

Spend \$75 on a single product purchase by Monday, 6/1, and get 15% off to use between 6/11 and 6/15.

SHOP NOW >

SHOPPERSDRUGMART.CA EXCLUSIVE

JUNE 21-23

*DETAILS >

**Bonus
Redemption
Event!**

Get up to **\$65 off*** when you redeem 50,000 PC Optimum points. **THAT'S AN EXTRA \$15**

OR

Get up to **\$140 off*** when you redeem 100,000 PC Optimum points. **THAT'S AN EXTRA \$40**

OR

Get up to **\$300 off*** when you redeem 200,000 PC Optimum points. **THAT'S AN EXTRA \$100**

CURRENT SITUATION ANALYSIS

Order Summary - 1 item

1x Boy Brow

\$20



 Brown

Subtotal	\$20.00
Tax	\$4.20
Shipping Standard (8-13 business days)	\$8.00

Order Total **\$32.20**

ADVANTAGES OF CURRENT SITUATION

- Smaller companies unable to offer free shipping
- Online shopping skyrocketing
- Less costs related to brick and mortar stores operating

PROPOSED SOLUTIONS

- Extend return policy to decrease in store traffic
- Virtual try ons will become the norm, so increase and optimize online services
- With testers becoming obsolete, tactile shoppers will rely more on samples
- Boost customer loyalty with better rewards: more “freebies”
- Increase online presence and use social media platforms such as Instagram, Twitter and Tiktok to connect with consumers more

A promotional graphic for the Beauty Insider Rewards Bazaar. It features a white background with several beauty products scattered around: a red tube of lipstick, a silver and black mascara, a silver tube of cream, a red lipstick, and a silver and black eyeliner. The text is centered and reads:

BeautyINSIDER REWARDS BAZAAR™

We're dropping new rewards every Tuesday and Thursday at 9 am PT. They go fast, so check back often to score one-of-a-kind experiences, services, and samples.

Free Beauty Sample Bag

Get these sample faves free with any Sephora Collection purchase of \$30 or more.*

Beauty Insider members:
Use code **TROOPSC**

SHOP BRAND ▶

Online only.



PROPOSED SOLUTIONS

- Stores reopening will require more work with hand sanitizing stations and employee monitoring
- Contactless payments when stores reopen
- Encourage the 2 meters distancing rule in the stores
- Optimize supply chain so that restocks are more frequently
- Email campaigns focused more on new releases and restocks
- Offer an “email me monthly/weekly/concerning a particular product only” option



SEPHORA HEALTH & HYGIENE GUIDELINES

	SOCIAL DISTANCING We're observing social distancing: Please stand 6 feet away from others		PAUSED SERVICES All services are temporarily suspended
	ADDITIONAL LOCAL MANDATES We may ask you to comply with other additional, locally mandated safety measures		HAND SANITIZER Hand sanitizer is available for use throughout the store
	DISPLAY-ONLY TESTERS Testers are now for display only		SAFE CHECKOUT We've added plexiglass barriers at checkout and will sanitize the area after every transaction

PROPOSED SOLUTIONS

- Focus more on skincare and wellbeing, not on makeup products
- Get more exclusive brands and Limited Edition releases to generate hype
- Get more customer testimonials for real reviews, both positive and negative



PERSONAL CONCLUSION

In order to survive the current crisis, relying on online services, virtual try ons and exclusive perks is the best strategy to boost sales.

It makes the most sense now to market “At home beauty and care” by pushing products that focus on staying safe, advertising digital classes instead of in store makeovers and keeping up morale on a budget, AT HOME. Even with stores reopening in the near future, health and safety of both consumers and employees has to be the priority.

The background is a light-colored, marbled pattern with grey and black veins. The word 'iStock' is repeated in a light grey font across the entire image as a watermark.

THANK YOU!!!

BIBLIOGRAPHY

<https://www.insider.com/how-beauty-industry-will-change-post-coronavirus-2020-3>

<https://montrealgazette.com/life/fashion-beauty/first-look-at-sephora-downtown/>

<https://www.newswire.ca/news-releases/sephora-continues-to-expand-beauty-presence-in-canada-521537781.html>

<https://www.newswire.ca/news-releases/cosmetics-giant-loreal-celebrates-60-years-of-presence-in-canada-and-inaugurates-its-brand-new-head-office-in-downtown-montreal-698027541.html>

<https://www.newswire.ca/news-releases/cosmetics-giant-loreal-celebrates-60-years-of-presence-in-canada-and-inaugurates-its-brand-new-head-office-in-downtown-montreal-698027541.html>

<https://www.loreal.ca/brand>

https://readymag.com/wgsn/1927340/2/?_fsi=zMx8tJIu

<https://etailcanada.wbresearch.com/sephora-ecommerce-strategy-ar-ai-email-mobile-ty-u>

<https://i0.wp.com/glossense.com/wp-content/uploads/2019/01/shoppers-drug-mart-canada-sdm-beauty-boutique-canadian-gwp-gift-with-purchase-offer-free-lancome-2019-lunar-new-year-beauty-gift-bag-travel-set-bag-deluxe-sample-canadian-freebies-glos.png?resize=317%2C306&ssl=1>

https://en.wikipedia.org/wiki/Shoppers_Drug_Mart

<https://www.forbes.com/sites/pamdanziger/2020/01/23/how-to-make-a-great-retail-loyalty-program-even-better-sephora-has-the-answer/#75fbbca8287a>