



BEAUTYLISH

Competitive Analysis

Emily Fan

IN4MATX 283

Project Summary

In the last decade, the beauty retail space has changed measurably, with the bulk of sales now carried out online.

66%

Have bought makeup online*

When online shopping, consumers find fast and free shipping **most important**, and subscription options and virtual “try-on” tools **least important**.*

Understanding the beauty retail space, we have evaluated Beautylish against other major retailers in order to better tailor the Beautylish experience to the modern consumer. **Key takeaways include: social media presence drives website traffic, new product discovery is key, users value representation of marginalized groups, and shipping cost and speed matter.**

*<https://www.quantilope.com/en/news/we-asked-340-us-consumers-are-you-buying-makeup-online>

67%

Prefer buying makeup in-stores*

Consumers who discover new products on social media spend significantly **more** money on cosmetics per month than those who do not.*



Table of Contents

3	Method
4	Beautylish Overview
8	Direct Competitors <small>Sephora, Ulta, SpaceNK</small>
18	Indirect Competitors <small>Nordstrom, M.A.C.</small>
25	Influencer Features <small>Glossier, Temptalia</small>
28	Recommendations
29	Conclusion & Next Steps

Method

A competitive analysis is a method of research in which a product or business is compared against competitors in the same industry. By comparing strategies, we can understand where the competition excels, and where we can improve our products.

In performing this analysis, we can utilize the strengths and weaknesses of competitors to establish Beautylish as a unique retailer in the highly saturated cosmetics market.

Beautylish

Company Overview

- Low to High end cosmetics, skincare, and tools
- Exclusive brands and products
- Curated, editorial blog
- Online only, no physical stores

Strengths

Highly curated product offerings at many price points

Exclusive brands

Swatches on multiple skintones

Great customer service

Weaknesses

Limited educational resources

No shade-matching tool

New arrivals page very restricted

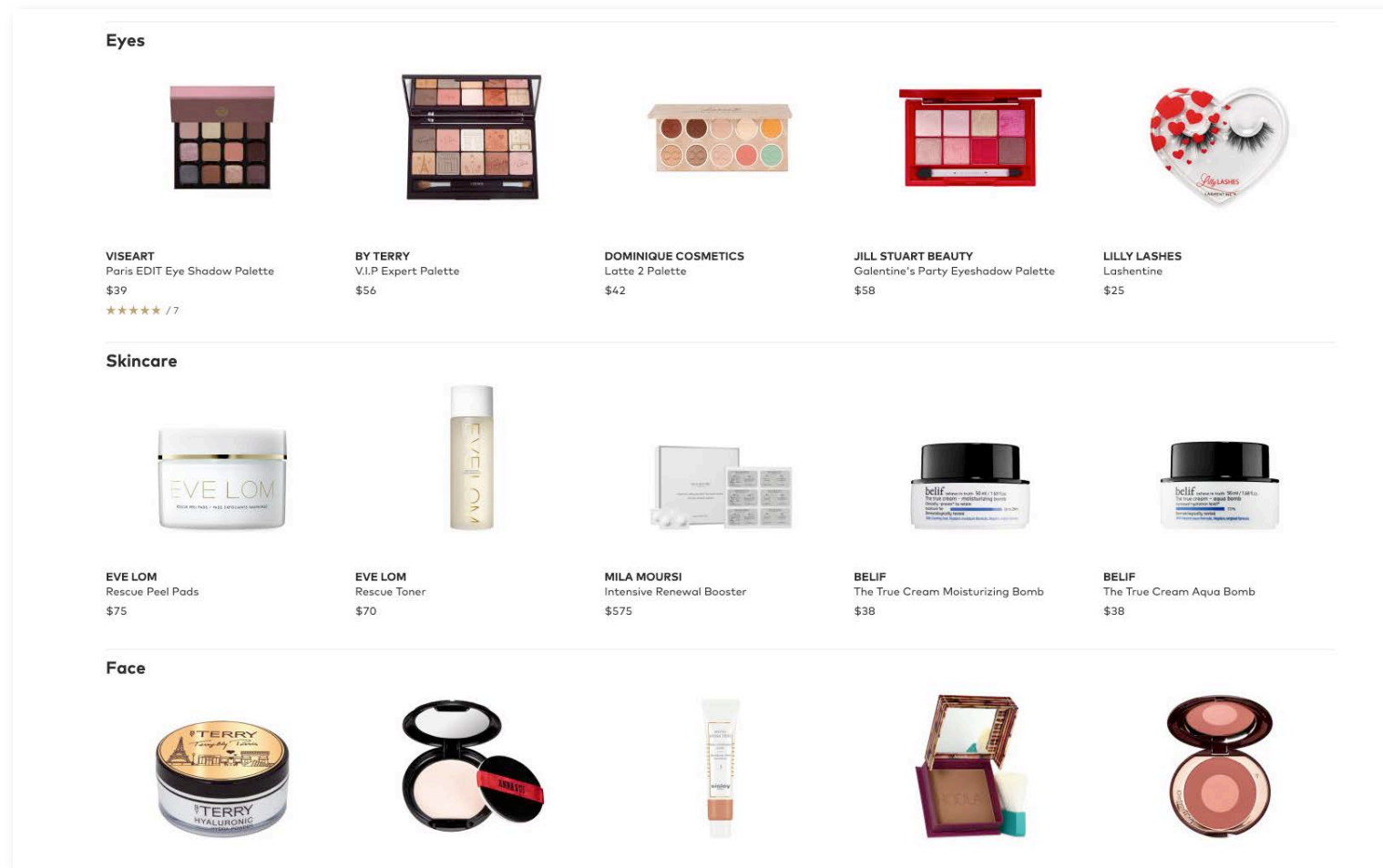
No physical stores

The screenshot shows the Beautylish website homepage. At the top, there is a navigation bar with the site name 'BEAUTYLISH' and various menu items: NEW ARRIVALS, BRANDS, MAKEUP, NAILS, SKINCARE, FRAGRANCE, HAIR, TOOLS & BRUSHES, COMMUNITY, and EDITORIAL. A search icon is also present. Below the navigation bar is a large hero banner for the 'ORIBE Silverati Collection'. The banner features a photograph of several white and silver hair care products (shampoo, conditioner, and a hair cream) arranged on a light blue, rippling water background. To the right of the image, the text reads 'ORIBE Silverati Collection' in a large, elegant font, followed by a sub-headline: 'Discover the specially formulated collection that transforms grey, silver, and white strands.' Below this text is a black 'Shop Now' button. Underneath the hero banner is a 'New Arrivals' section displaying five product cards. Each card includes a product image, the brand name, the product name, the price, and a star rating. The products shown are: VISEART Paris EDIT Eye Shadow Palette (\$39, 5 stars), BY TERRY V.I.P. Expert Palette (\$56, 5 stars), JEFFREE STAR COSMETICS Approved Stamp Mirror (\$30, 5 stars), SOL DE JANEIRO Brazilian Joia Strengthening + Smoothing Shampoo (\$25, 5 stars), and SISLEY-PARIS Phyto-Hydra Teint (\$120, 5 stars). Below the 'New Arrivals' section is a 'Best Sellers' section, which currently shows five product images without text labels.

Beautylish

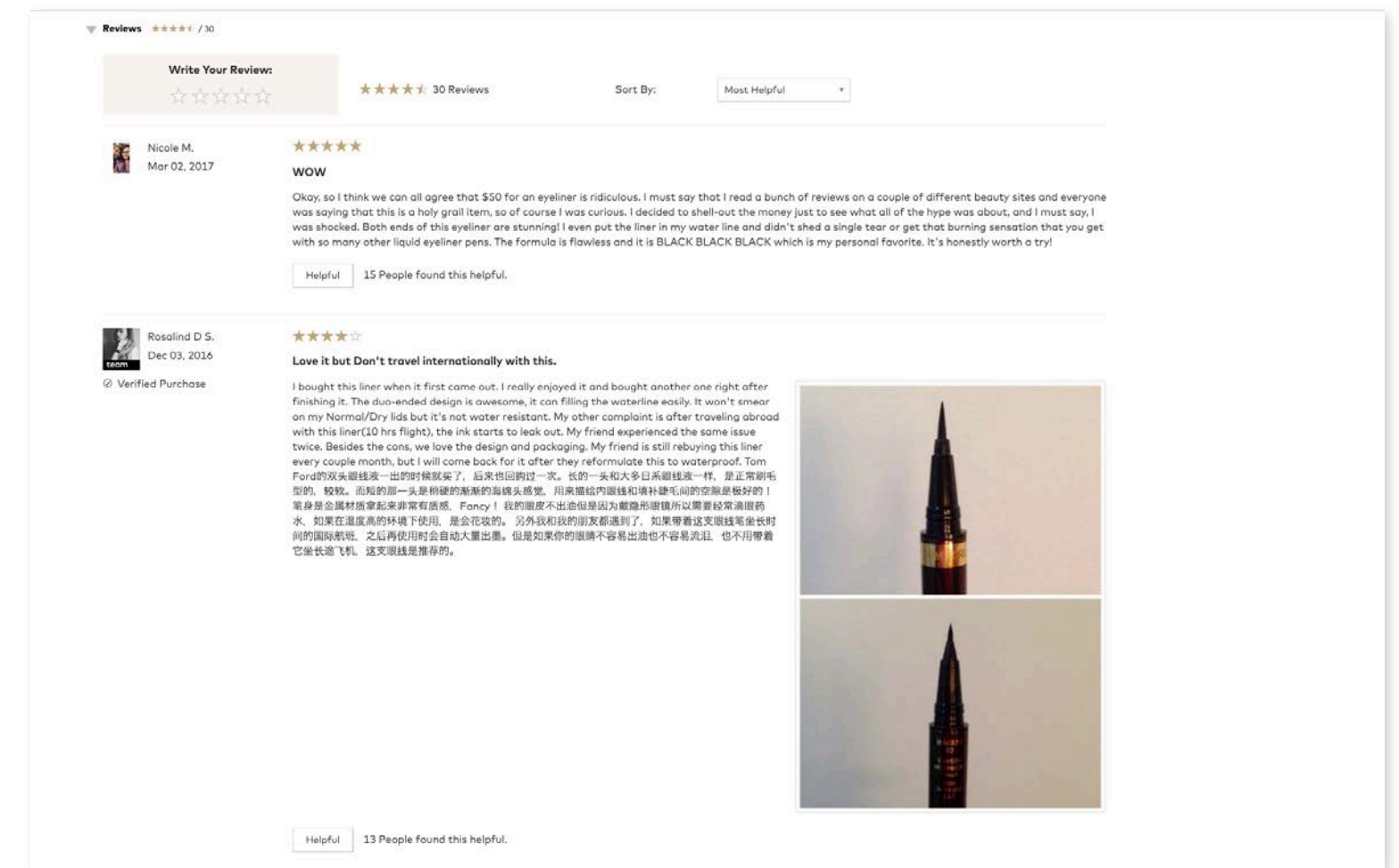
New Arrivals ✘

The new arrivals page is hardly different from homepage, and you can only see the first five products in each category.



Reviews ✔

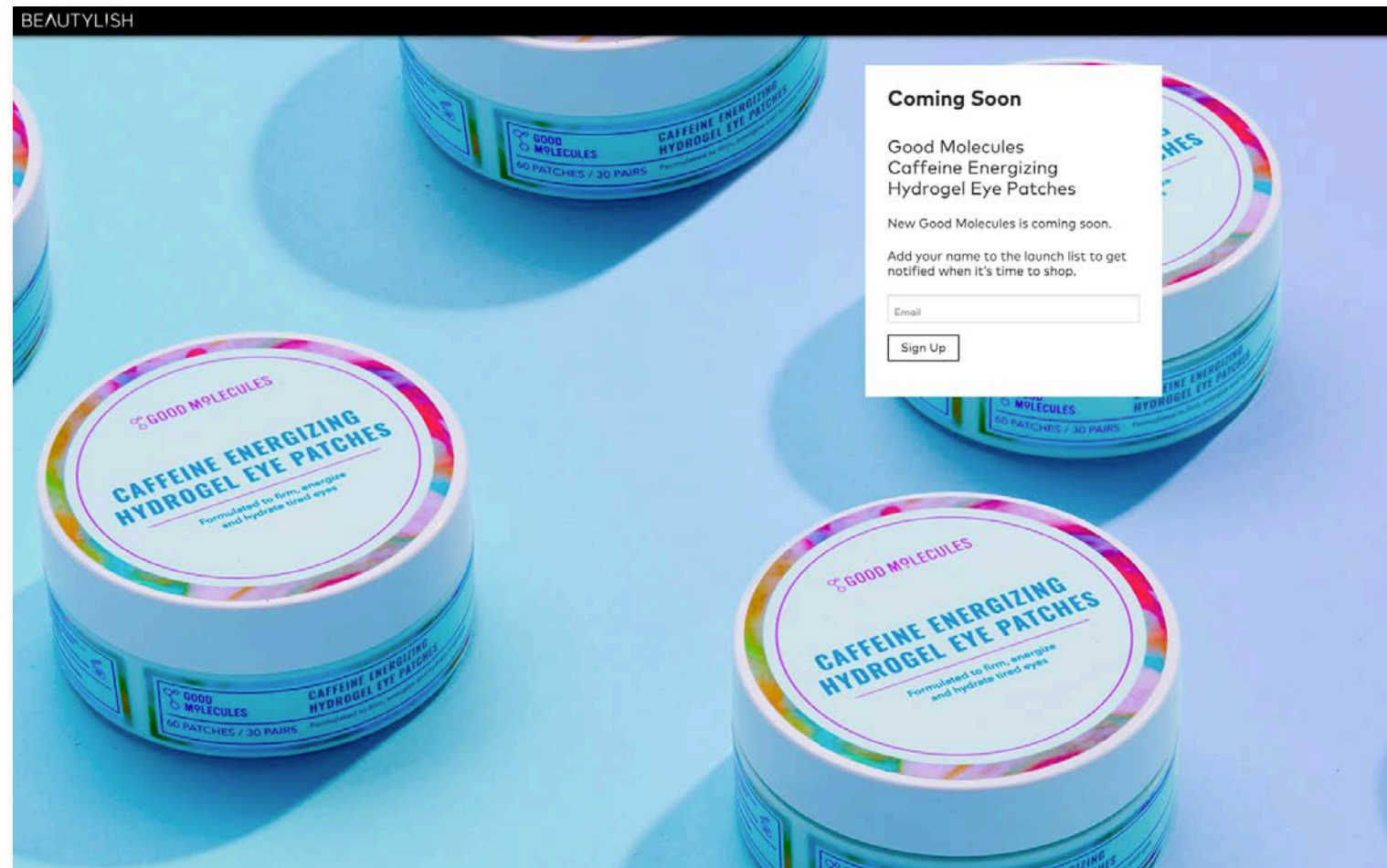
Because Beautylish is an online only retailer, user reviews carry heavy weight. The Beautylish review system is well-maintained, and allows users to post helpful pictures



Beautylish

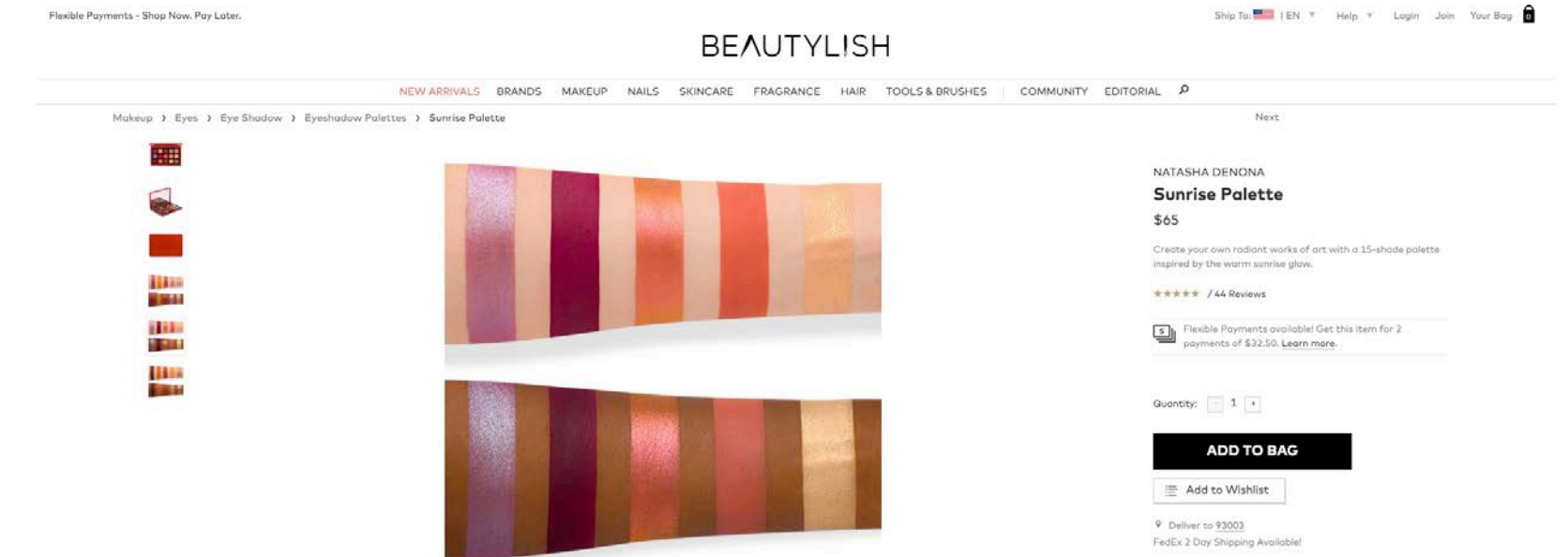
Exclusive Product Launches ✓

Products exclusive to Beautylish have clear and accessible launches. Convenient links are emailed to those who sign up for the launches, which they are notified of through email.



Swatches ✓

Beautylish customers often rely on good swatches to make purchasing decisions. Most of Beautylish's products are swatched on both light and deeper skintones.



Beautylish

Social Media Presence

Instagram: 556K

Facebook: 550K

Twitter: 880K

Youtube: N/A

Takeaways

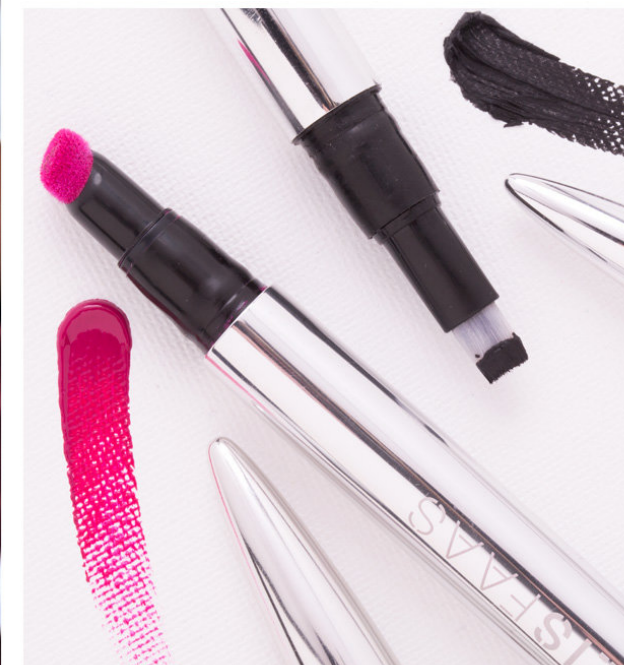
Beautylish is the only online-only retailer we evaluated in this report. Because of this, Beautylish needs to make its online experience on-par with its competitors with physical stores. Its product selection is a large draw for customers, as many brands are exclusive to Beautylish. The company's social media presence ranks 3rd of the direct competitors. Beautylish currently has no rewards program, but it is often cited as an industry leader in customer service.

Marketing Strategies

Targeted ads

Influencer marketing

Exclusive brand features



Direct Competitors

These retailers have a similar customer base as Beautylish, with similar product offerings.



Sephora

#1 in Web Traffic

Company Overview

- Mid to High end cosmetics, skincare, and tools
- Strong social media presence
- Rich educational resources
- Online and physical stores

Strengths

Enormous product offering

In-store experience very helpful to novice customers

Samples allow users to try before buying

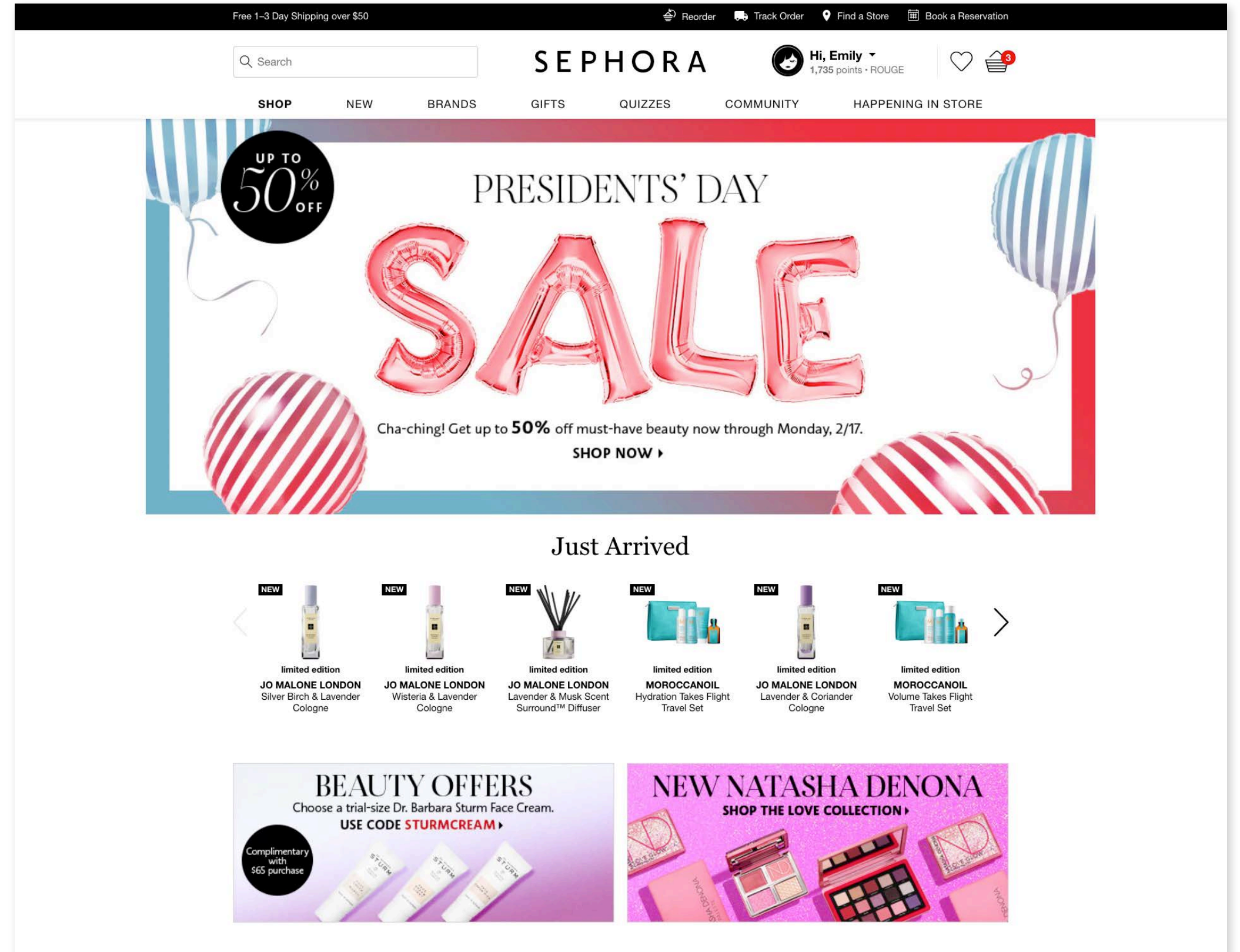
Fast, free shipping online

Weaknesses

Low review trustworthiness

Product selection can be overwhelming

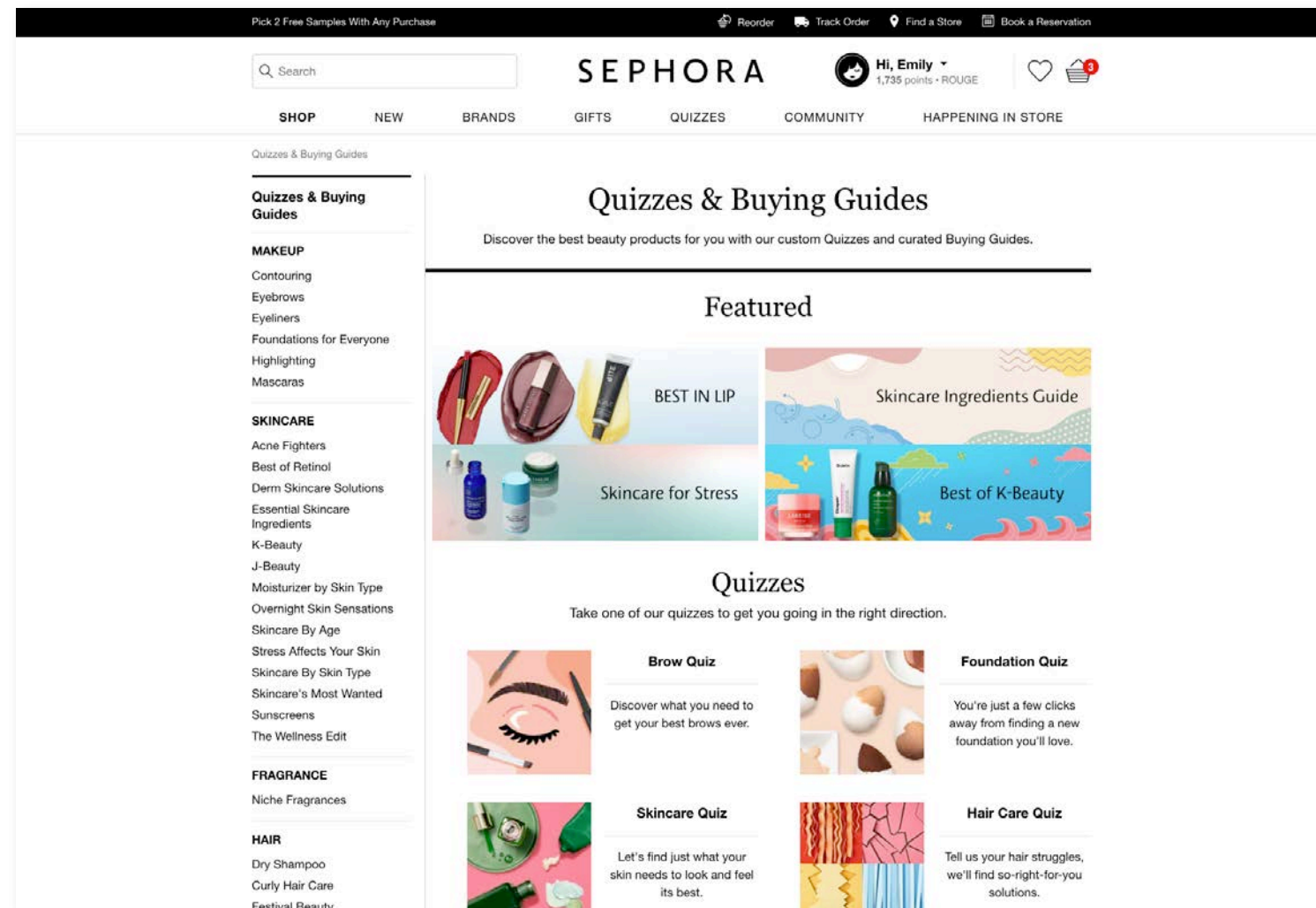
Inconsistent rewards program



Sephora

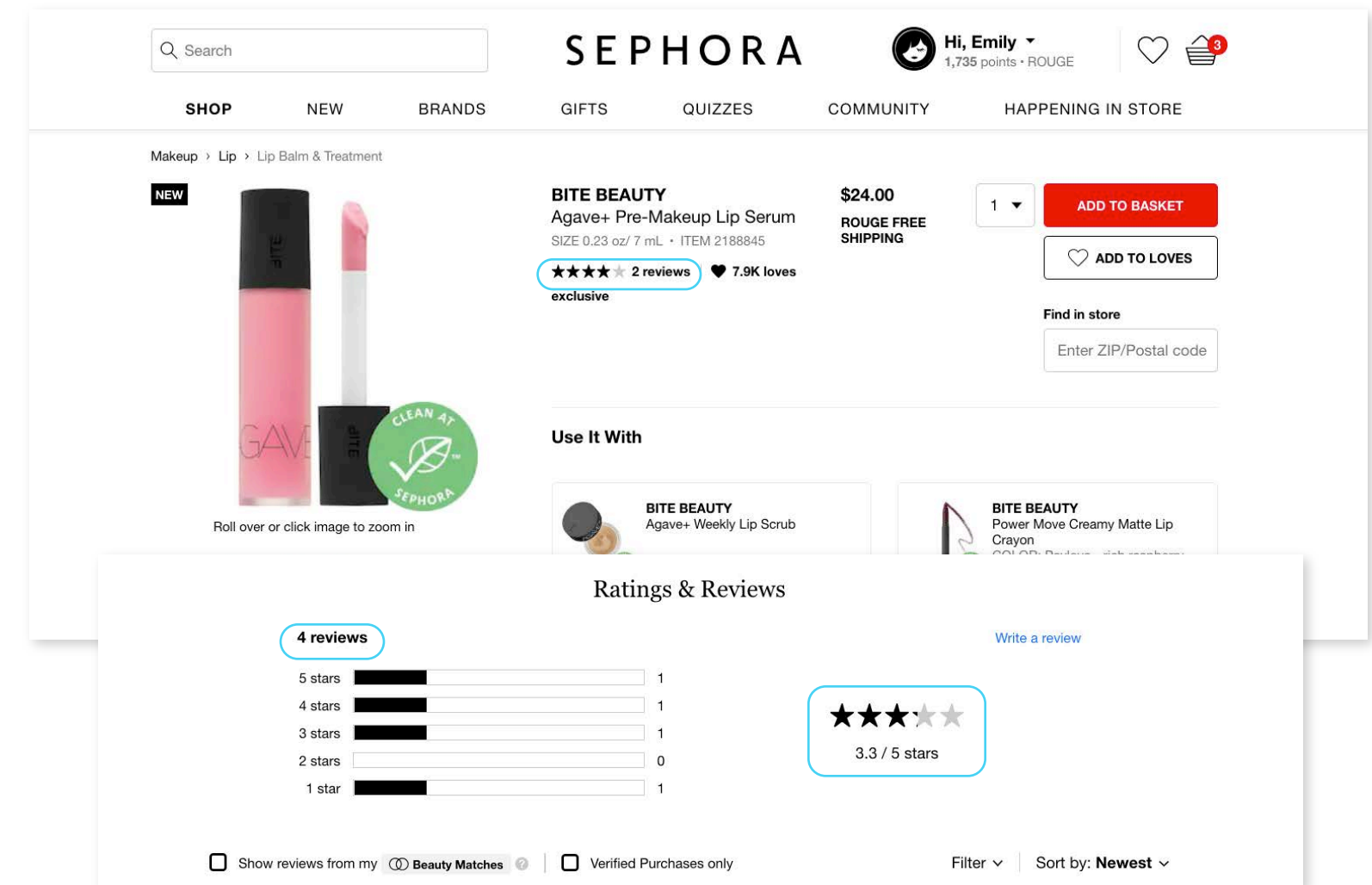
Purchasing Support ✓

Plenty of quizzes and guides available for novice customers. If customers are only purchasing online, they can feel supported in their choices.



Reviews ✗

Poor review reliability, inconsistent ratings, and the company has had a history of deleting unfavorable reviews.



This is the rating discrepancy on just one product

Sephora

Social Media Presence

Instagram: 19.5M

Facebook: 18.9M

Twitter: 2.4M

Youtube: 1.27M

Takeaways

Sephora is the largest cosmetics retailer in North America. This is largely due to its large social media followings, as well as its product range. In more recent years, Sephora has taken advantage of influencer marketing strategies such as sponsored posts, videos, and giveaways. This is the perfect case for increasing social media activity. The help users can receive in stores is a large draw for purchasing in person.

Marketing Strategies

Targeted ads

Heavy influencer marketing



Ulta

#2 in Web Traffic

Company Overview

- Low to High end cosmetics, skincare, and tools
- Strong social media presence
- Wide range of brands
- Online and physical stores

Strengths

Offers drugstore and higher-end products

Best-in-class rewards program

Pick up in-store options

Access to smaller indie brands

Weaknesses

Poor educational resources

Weak online store design

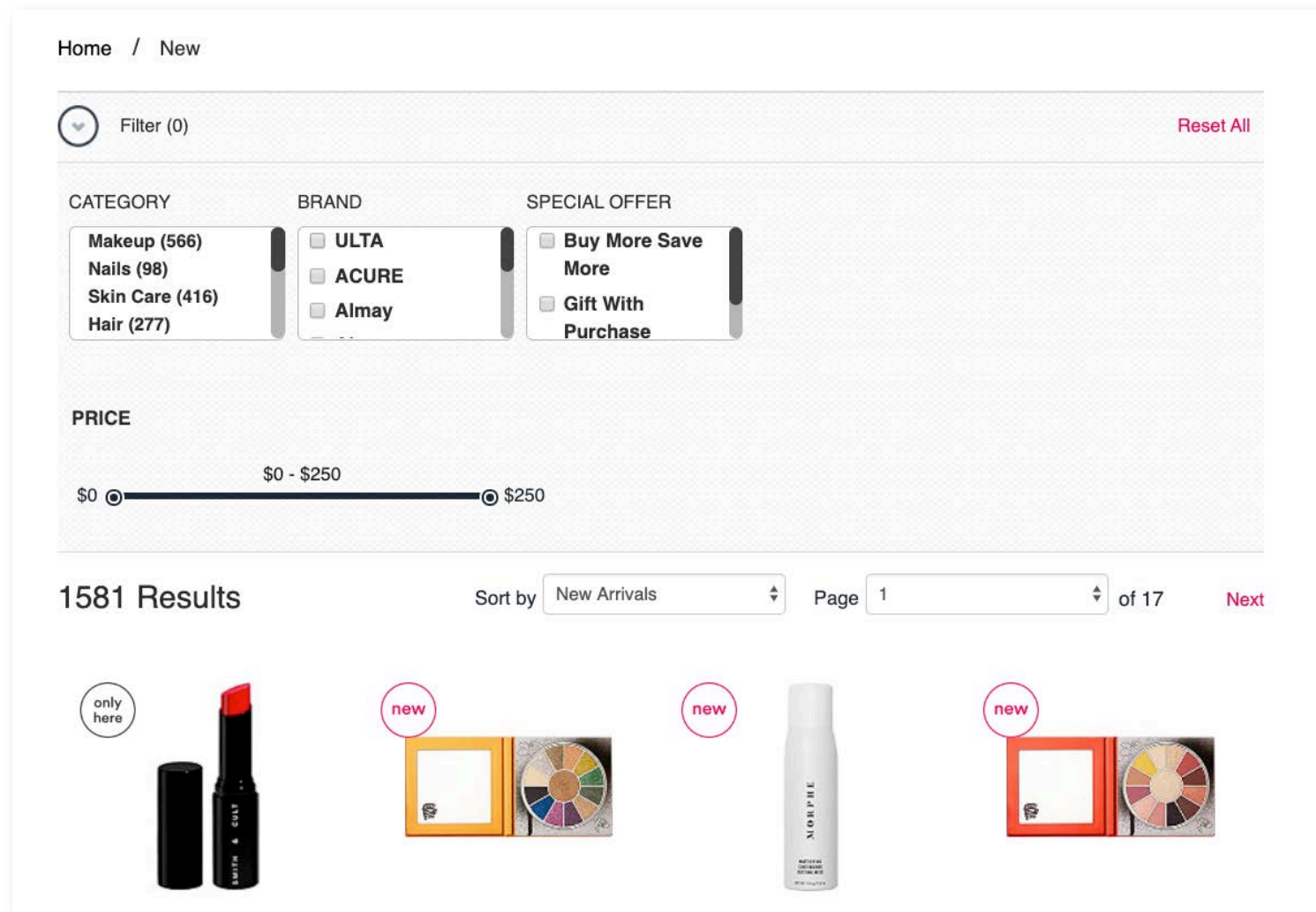
Difficult to filter products

The screenshot shows the Ulta Beauty website homepage. At the top, there is a navigation bar with the Ulta Beauty logo, a search bar, and links for 'Find a Store', 'Email & Text Signup', 'Gift Cards', 'Sign In', and 'Rewards'. A left sidebar menu lists various categories: 'Beauty Without Limits', 'Shop by Brand', 'New Arrivals', 'Makeup', 'Nails', 'Skin Care', 'Hair', 'Tools & Brushes', 'Fragrance', 'Bath & Body', 'Men', 'Ulta Beauty Collection', 'Gifts', 'Sales & Coupons', 'Current Ad', 'Beauty Tips', 'SPARKED at Ulta Beauty', 'Beauty Services', and 'Book Appointment'. The main banner features a 'CHOICE OF BAG' promotion with a 'FREE 10 PIECE GIFT' offer on purchases of \$19.50 or more. Below the banner, there are several promotional tiles: a '\$3.50 OFF' coupon for a \$15 purchase, a 'BEAUTY WITHOUT LIMITS' campaign celebrating the beauty of the black community, and two 'new+ only here' product tiles for 'TOO FACED Born This Way Natural Nudes Eyeshadow Palette \$45' and 'SUGAR RUSH X TARTE Hannah Meloche Multi-Purpose Palette \$25'. The 'New Arrivals' section displays four products with their respective ratings and prices: 'CATRICE Orchid Dusk Eyeshadow Palette \$17.99' (4.5 stars), 'FLORENCE BY MILLS 16 Wishes Get Glossed Lip Gloss \$12.00' (5 stars), 'TOO FACED Born This Way Turn Up The Light Highlighting Palette \$42.00' (5 stars), and 'MAC Loud & Clear Lipstick \$20.00' (5 stars).

Ulta

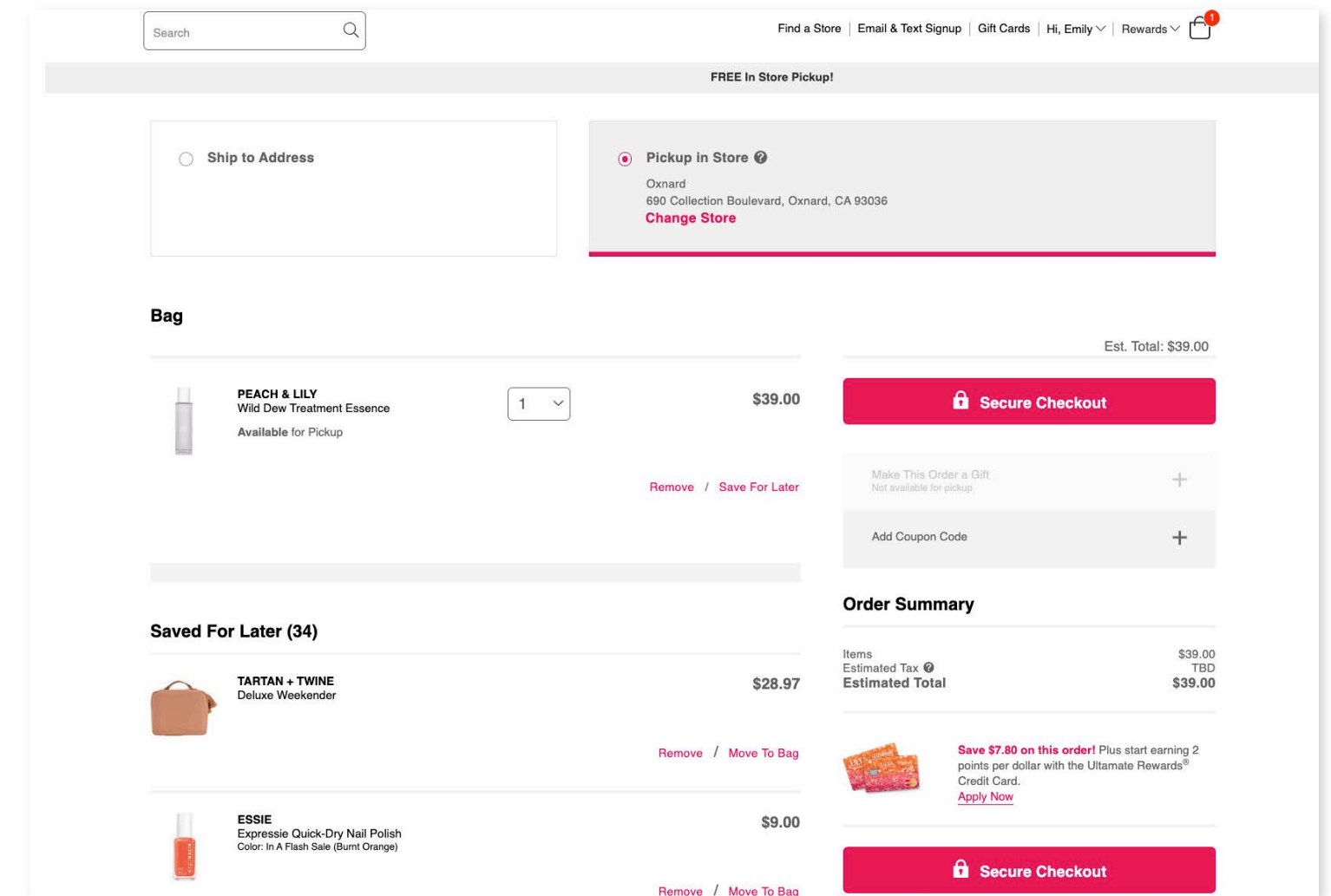
New Arrivals ✘

The new arrivals page is unattractive, and the filter menus are mostly hidden.



In-Store Pickup ✔

In-store pickup is free and convenient at any of Ulta's 1,124 stores.



Ulta

Social Media Presence

Instagram: 6.7M

Facebook: 3.3M

Twitter: 655K

Youtube: 54K

Marketing Strategies

Targeted ads

Mail Ads

Takeaways

Ulta is the second largest cosmetics retailer in North America. Unlike Sephora, Ulta has always had an older audience, and has a much smaller online presence, despite being the 2nd largest retailer in the market. Instead, it still releases print ads, and sends coupons through both physical mail and email. Ulta's excellent rewards program differentiates it from the rest of the market.



SpaceNK

Company Overview

- High end cosmetics, skincare, and tools
- Targeted towards a more mature audience
- Boutique brands
- Online and physical stores

Strengths

High-end image

Impressive gift-with-purchase options

Weaknesses

Poor social media presence

Few physical stores

Weak product help

Brand image not inclusive

Expensive shipping

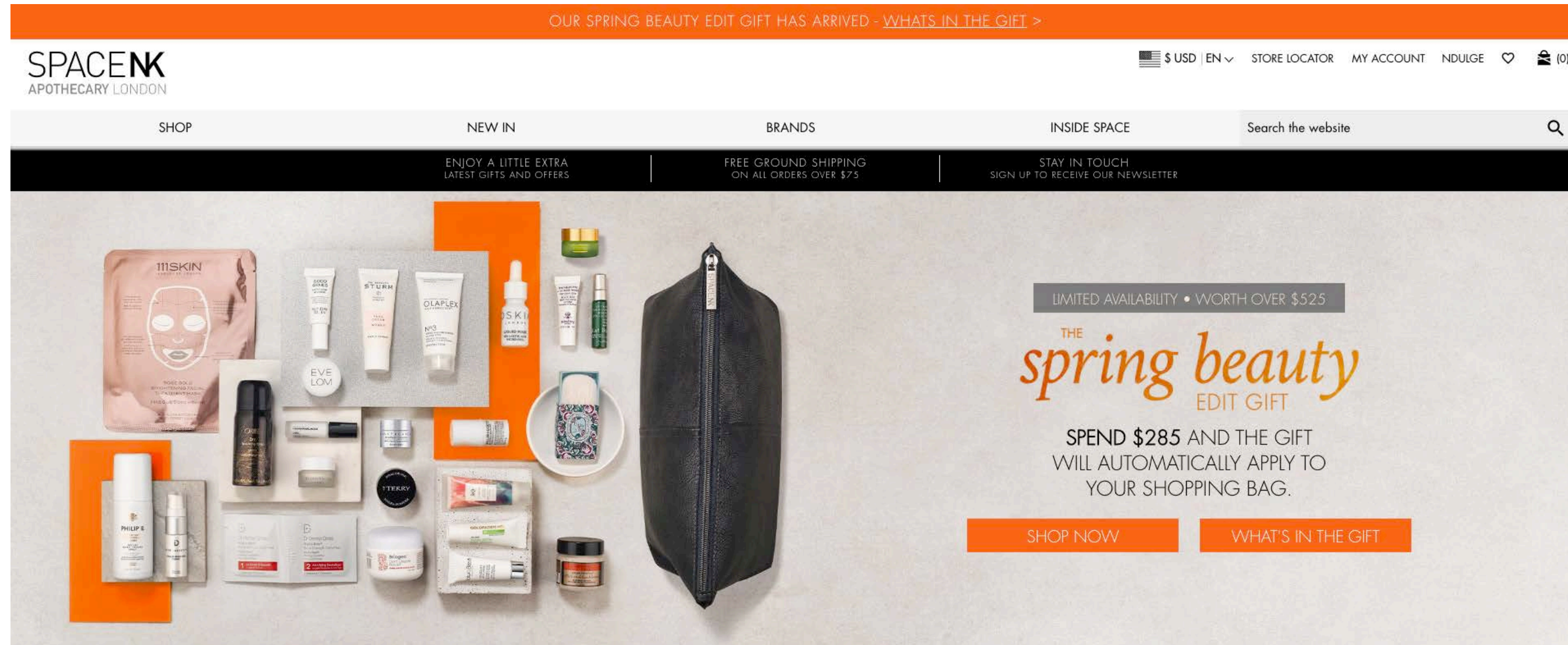
No stores located outside of major metropolitan areas

The screenshot shows the SpaceNK website homepage. At the top, there's a navigation bar with the logo 'SPACE NK APOTHECARY LONDON', currency 'USD', language 'EN', and links for 'STORE LOCATOR', 'MY ACCOUNT', 'NDULGE', and a cart icon with '(0)'. Below the navigation is a search bar and a promotional banner for 'OUR SPRING BEAUTY EDIT GIFT HAS ARRIVED - WHAT'S IN THE GIFT >'. The main banner features a collection of skincare products and a black zippered bag, with text: 'LIMITED AVAILABILITY • WORTH OVER \$525', 'THE spring beauty EDIT GIFT', 'SPEND \$285 AND THE GIFT WILL AUTOMATICALLY APPLY TO YOUR SHOPPING BAG.', and buttons for 'SHOP NOW' and 'WHAT'S IN THE GIFT'. Below this is a 'NEW AT SPACE NK' section with a 'SHOP NOW' button and text: 'Explore our latest launches including an illuminating eye mask from 111SKIN and the limited-edition Hummingbird collection from Chantecaille.' The bottom of the page features a 'brand of the month CHANTECAILLE' promotion with a 'SHOP NOW' button and a 'Help' icon.

SpaceNK

Gift with Purchase ✗ ✓

Gift with purchases contain many high-quality sample sizes, but the purchase you must make to attain the gift is very expensive.



Online and in-store. One per order, while stocks last. Terms and exclusions apply.

SpaceNK

Social Media Presence

Instagram: 206K

Facebook: 57K

Twitter: 37K

Youtube: 11.5K

Takeaways

SpaceNK is the most similar to Beautylish in terms of product selection, and brand feel. As a UK company, it has a relatively new presence in the North American market. In more recent years, the company has employed very limited influencer marketing tactics.

Marketing Strategies

Limited influencer marketing



Indirect Competitors

These retailers may have a similar customer base as Beautylish, but they carry products that Beautylish does not, or they are between markets.

NORDSTROM

MAC



Nordstrom

Company Overview

- Mid to High end cosmetics, skincare, and clothing
- Department store with strong brand loyalty
- Wide range of brands
- Online and physical stores

Strengths

Wide product range, often with exclusive releases

Free and fast shipping, simple returns

Strong in-store service

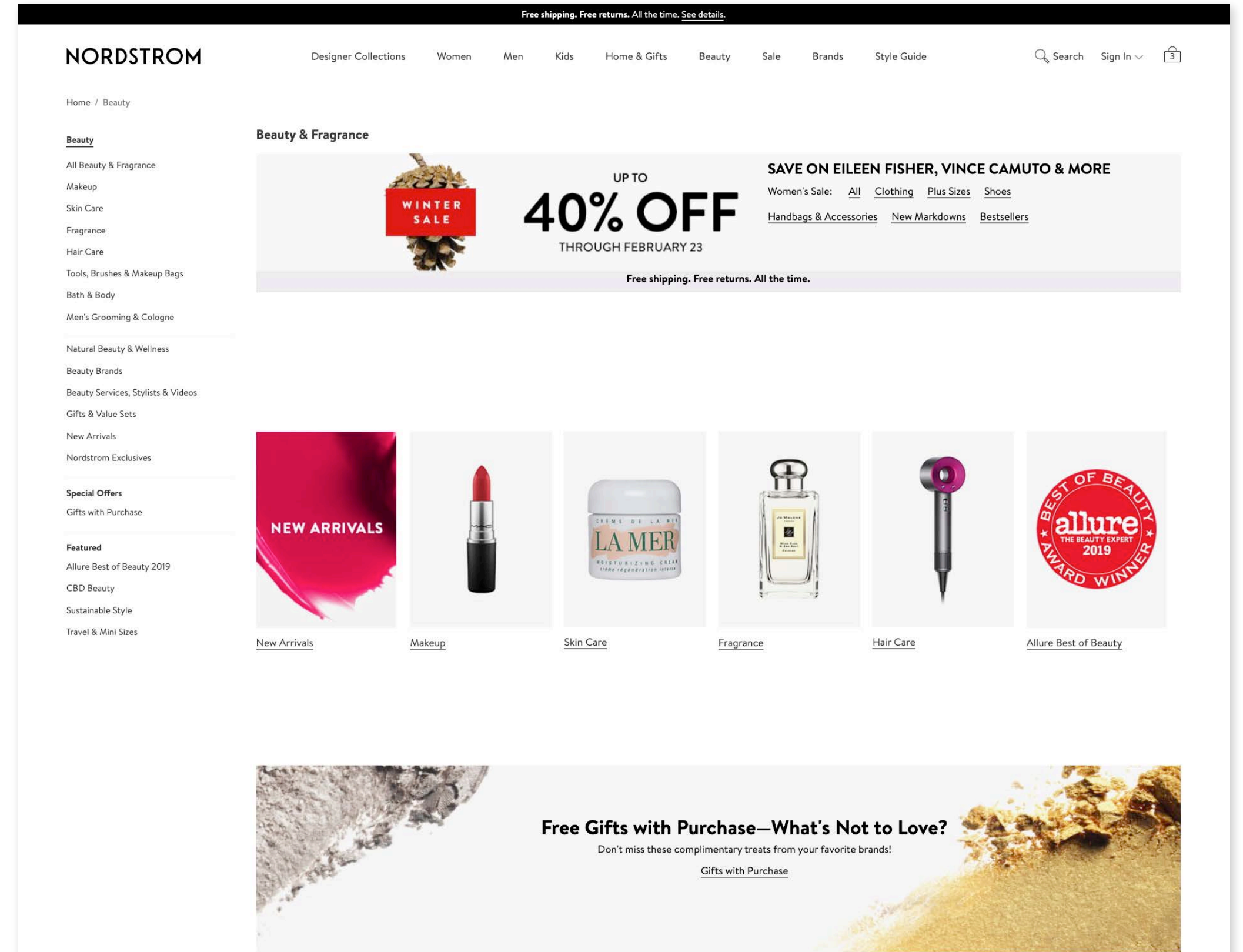
Impressive rewards program with Nordstrom credit card

Pick up in-store options

Weaknesses

Difficult to filter products

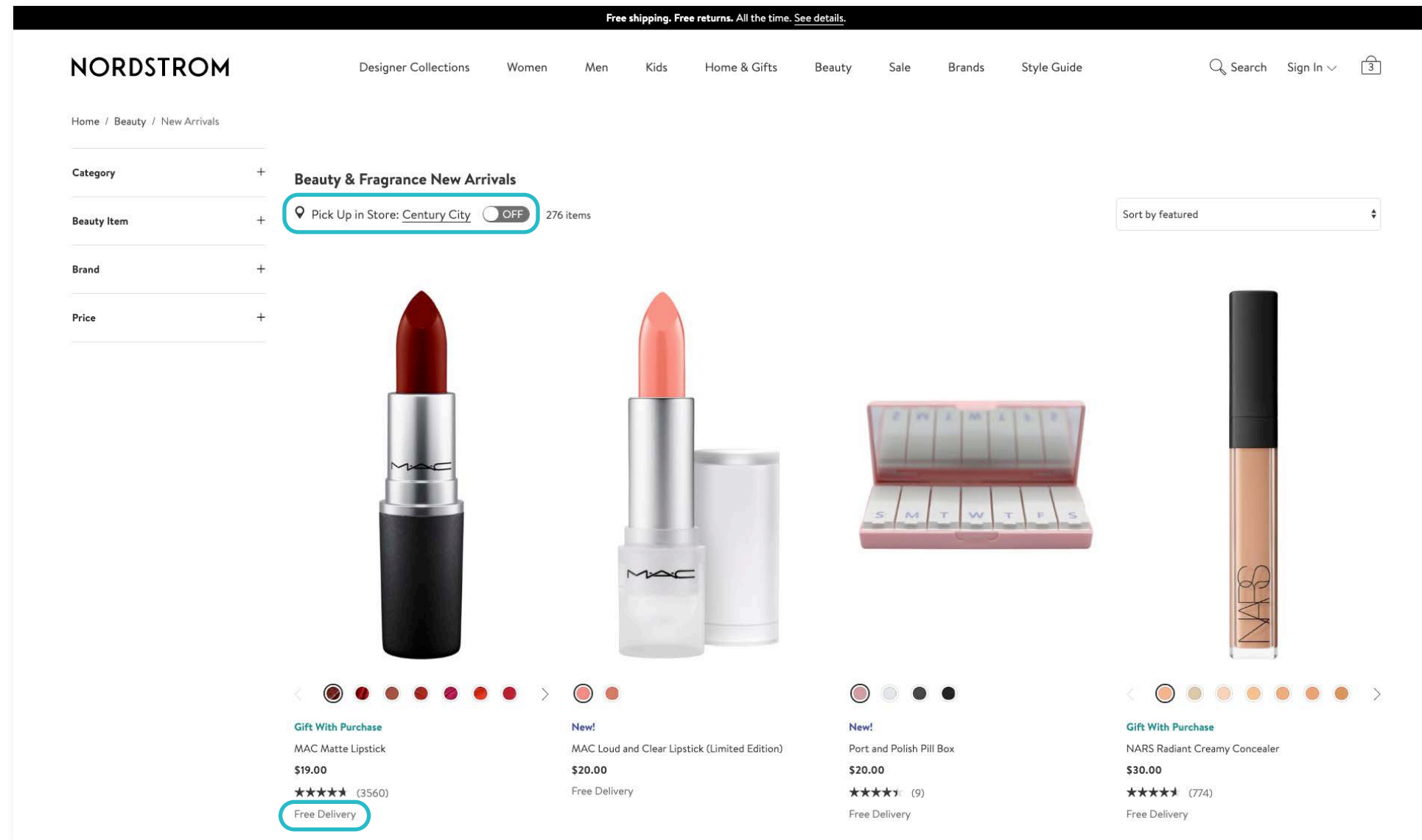
Brand can feel inaccessible to irregular customers



Nordstrom

In-Store Pickup & Free shipping ✓

Easy to find products available for in-store pickup, and all orders receive free shipping.



Nordstrom

Social Media Presence

Instagram: 3.3M

Facebook: 4.9M

Twitter: 742K

Youtube: N/A

Takeaways

Nordstrom is primarily a department store catered towards the clothing market. However, it has gained significant hold in the cosmetics market, as it now offers most of the same products as Sephora and Ulta, while taking advantage of its position as a clothing retailer. Customers who have the Nordstrom credit card may take advantage of its rewards program. With a moderate social media presence, Nordstrom is well-positioned to utilize its prominence in the clothing market to increase its potential in the cosmetics market.

Marketing Strategies

Targeted ads

Light influencer marketing



M.A.C.

Company Overview

- Mid-range cosmetics, skincare, and tools
- Professional artistry origins
- Unique products in the consumer market
- Online and physical stores

Strengths

Strong in-store education

Fast and free shipping

Products in every shade imaginable

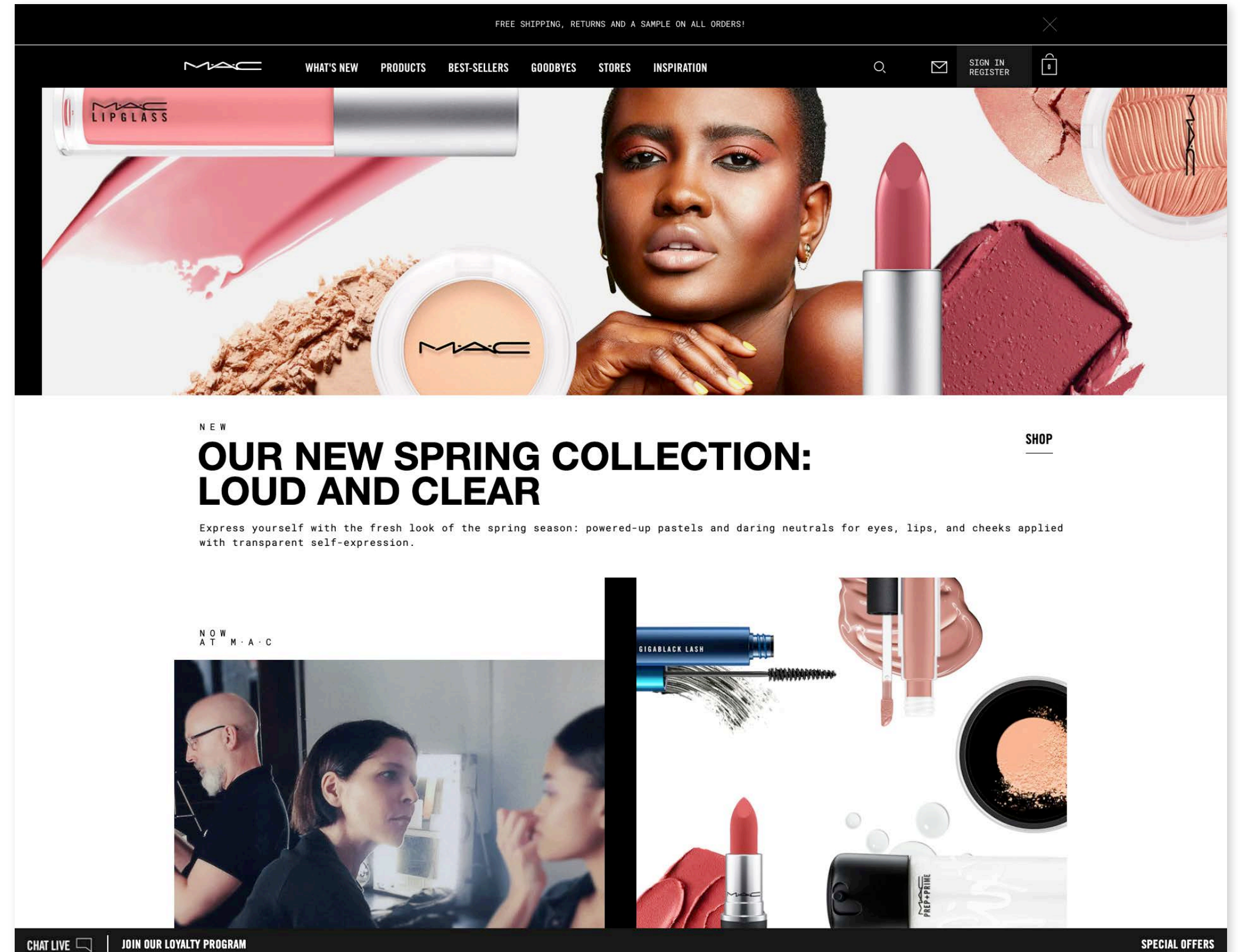
Available in most department stores as well as stand-alone stores

Weaknesses

Brand can feel unapproachable for novices

Complicated, slow online store

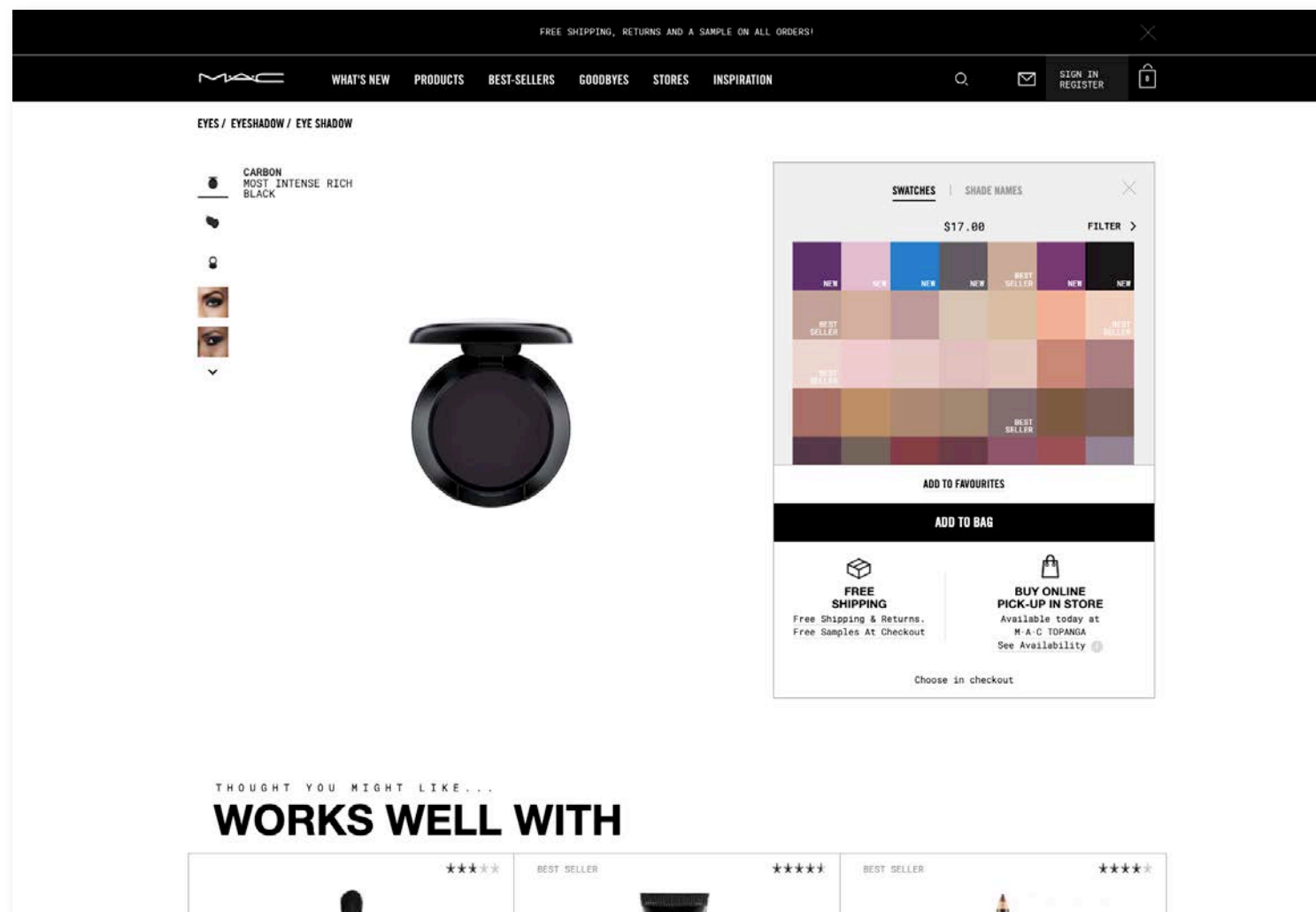
Moderate social media presence



M.A.C.

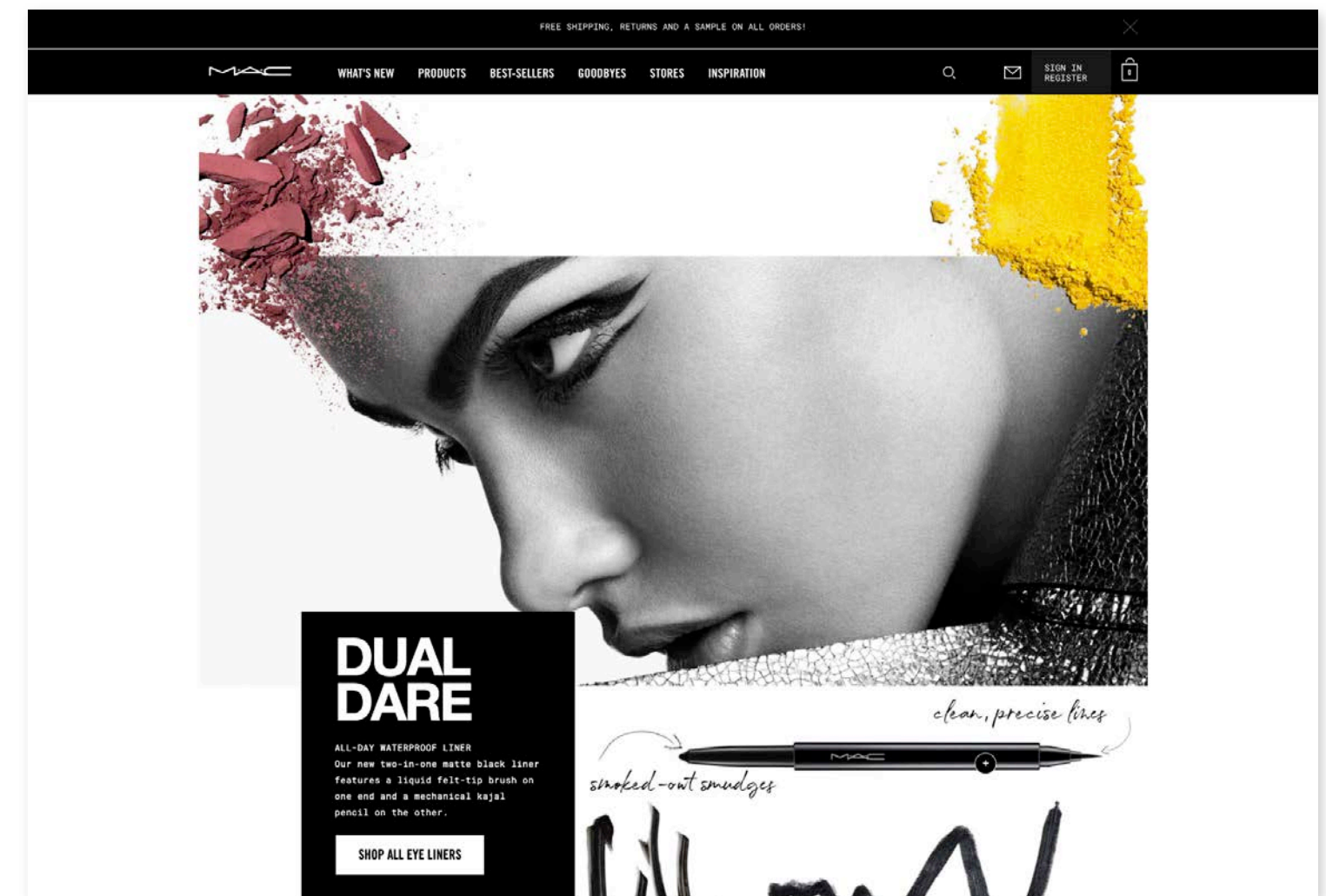
Slow, cluttered product pages ✗

Product shades are nameless and cluttered. The pages loads slowly and is prone to lagging.



Website Aesthetic ✓

Although slow, the website very much reflects the artist spirit that M.A.C. has always catered to.



M.A.C.

Social Media Presence

Instagram: 3.3M

Facebook: 4.9M

Twitter: 742K

Youtube: N/A

Marketing Strategies

Targeted ads

Light influencer marketing

Takeaways

MAC is one of the oldest brick-and-mortar cosmetics retailers. It has had a slow uptake in the online shopping sector, but retains a strong customer base, and has developed a reasonable social media presence. MAC may be the only company that has actually reduced its use of influencer marketing tactics over time. Most customers still rely heavily on visiting physical stores to make purchases.



Influencers

These retailers are not in competition with Beautylish, but they have influenced Beautylish's business practices through innovation or features.

Glossier.



Glossier

Company Overview

- Unique products in the consumer market
- The only retailer of Glossier products
- Online and a couple physical stores

Strengths

Products are sheer and universal

Products are often grouped into convenient value sets

Very strong social media presence

Weaknesses

Only available online and in 2 physical store locations

Subpar shipping

Takeaway

Value sets make it enticing to customers to try more products from a brand. Social media absolutely makes people purchase more.

The screenshot shows the Glossier website interface. At the top, there is a navigation bar with the Glossier logo and menu items: Shop All, Skincare, Makeup, Body, Fragrance, Save on Sets, GlossiWEAR, and Build a Routine. A search icon and user account icon are also present. A promotional banner at the top right offers 'Get 10% off your first order and free shipping with orders of over \$30.' Below this is a featured section titled 'Emily's favorites' with a 'SHOP THE SET' button. The main content area is titled 'Beauty inspired by real life.' and includes a 'SHOP ALL' button. At the bottom, there is a grid of five product cards, each with a product name and description:

- Pro Tip**: brush point liquid eyeliner
- Boy Brow**: grooming pomade (Bestseller)
- Futuredew**: oil serum hybrid (Top Rated)
- Balm Dotcom**: universal skin salve (Bestseller)
- Lip Gloss**: cushiony glassy shine (Top Rated)

Temptalia

Company Overview

- Review blog of Mid to High end products
- Largest online swatch database
- Free to access

Strengths

Swatches and reviews are released as products are released

Swatch comparison tool

Relatively unbiased reviews

Digestible content

Weaknesses

Swatch library is immense and can be slow

Run by one woman, so no swatches available on deeper skin

Takeaway

High-quality swatches make an incredible difference in retailer credibility.

The screenshot displays the Temptalia website interface. At the top, there is a navigation menu with links for BLOG, SWATCHES, DUPES, FOUNDATION MATRIX, FAVORITES, REVIEWS, COLOR STORIES, LOOKS, and a search icon. A 'Sign Up' and 'Login' button is located in the top right corner. Below the navigation, there are several promotional banners for various retailers like COLOURPOP, NORDSTROM, PAT MCGRATH LABS, SEPHORA, and SKINSTORE. A 'FEATURED' section highlights 'Best of Spring 2020' with a 'READ NOW' button. An 'ESSENTIALS' section lists '2020 EDITOR'S AWARDS / 2020 READERS' AWARDS' with links to 'BEST OF THE BEST: OUR PRODUCT GUIDES', 'SPRING 2020 LAUNCHES', and 'HOW TO MAKE BETTER PURCHASES'. A central message encourages supporting Temptalia by shopping through their links, listing SEPHORA, BEAUTYLISH, ULTA, NORDSTROM, and MORE. The main content area features a 'REFINE RESULTS' sidebar with filters for TYPE, COLOR, UNDERTONE, FINISH, BRAND, AVAILABILITY, PRICE, ADVANCED, and SORT BY. The main product display is for 'Fenty Beauty Flypencil Longwear Eyeliner Swatches', showing three swatch panels (Purple Stuff, Lady Lagoon, Sea About It) with their respective prices and 'COMPARE' buttons.

Recommendations

The cosmetics market is quickly becoming saturated with retailers who are offering more products, and increasingly utilizing social media advertising.

We recommend the following:

1. Increase product features through social media

Emphasize product exclusivity, and begin marketing with select influencers who embody the Beautylish message.

2. Continue offering swatches and shade-matching resources

Include models of all skin-tones. Push high-quality swatches on social media.

3. Offer a rewards program

A differentiating rewards program may tip customers to purchase from Beautylish even if the product is available elsewhere.

4. Offer free shipping on all orders

Fast, free shipping is one of the greatest draws for customers shopping online.

Conclusion & Next Steps

Beautylish fills a unique niche in the cosmetics market by offering its customers access to exclusive products and brands. As an online-only retailer, it is important to have a strong online presence, as well as high-quality swatches and reviews to support customers in purchasing products sight-unseen. Maintaining the exceptional customer service Beautylish is known for will be imperative.

By making the suggested changes, we believe that Beautylish has the potential to stand next to Sephora and Ulta as a cosmetics retail giant.



BEAUTYLISH

—
Thank You!

Please direct any questions to efan2@uci.edu