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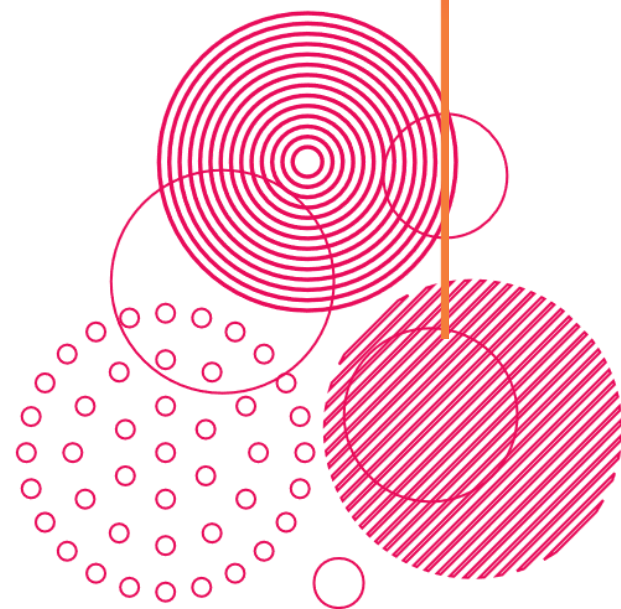
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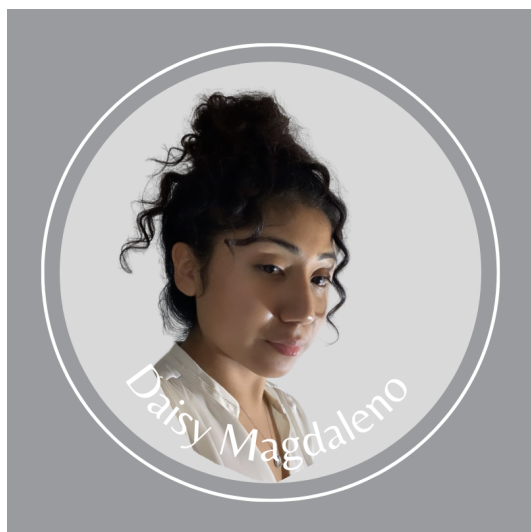
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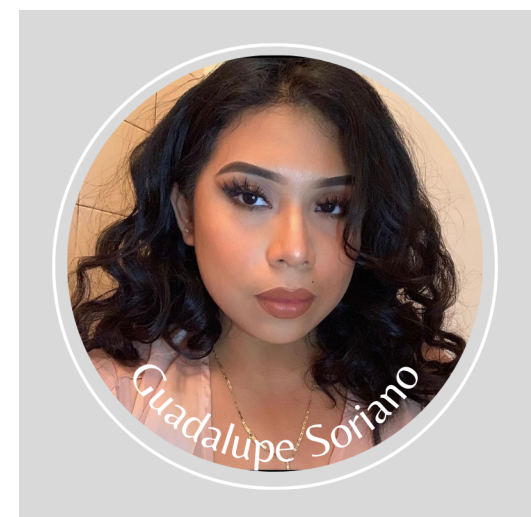


MEET THE TEAM

ABOUT US: GDM Consulting is here to help retailers grow, and become more competitive in the industry. GDM Consulting takes into consideration retailers current tactics, analysis and plans with the retailer on ways to enhance business. We do the work so you don't have to :D



Daisy Magdaleno: I am the Business Analyst and Project Manager. I develop and put into action solutions for process or quality enhancements. I meet with the clients for their specifications and requirements.



Guadalupe Soriano: I am the Marketing and Promotional manager of GDM Consulting. It is my job to help companies promote their products and grow as a whole. Helping with online advertisement and promotional ideas.



Miriam Martinez Lima: I am the Chief Director and Creative Director of GDM Consulting. I am in charge of foreseeing all current financial and business tactics. Analyzing ways on how to improve the retailer itself.

BACKGROUND - LUPE

Ulta Beauty was founded by Terry Hanson and Dick George. The company's headquarters are located in Bolingbrook, Illinois, and established on January 9th, 1990. Originally, Ulta beauty was called Ulta3 and had only five stores located in the local suburban area of Chicago. With the magic of marketing the company has been able to grow from towns in the suburbs to Nationwide. In the United States there are approximately 1,344 stores throughout the nation, California being the state with the most retail location of 163. Ulta beauty is known for being one of the largest retailers in beauty within the United States. Those who have a passion for beauty come into the store to look for cosmetics, fragrances, personal care, skin and hair care which are sold either in store or online.

CORPORATE MISSION - ALL

Ulta beauty's brand focuses on using their beauty products that they carry. To create possibilities in which we each carry, through Ulta's store experience. According to Ulta's Website "To be the most loved beauty destination of our guests and the most admired retailer by our Ulta Beauty associates, communities, partners and investors"(Ulta Beauty, 2022). Ulta's vision not only focuses on being loved by its customers, but those who work and support Ulta as well. They have a strong vision, it shows that Ulta does not solely focus on its consumers, but those who helped build the brand. In the statement, "Every day, we use the power of beauty to bring to life the possibilities that lie within each of us — inspiring every guest and enabling each associate to build a fulfilling career"(Ulta Beauty, 2022). Ulta's Mission is to use beauty as a form in which we can live possibilities with us. Whether it be Ulta's guests or Ulta's employees.

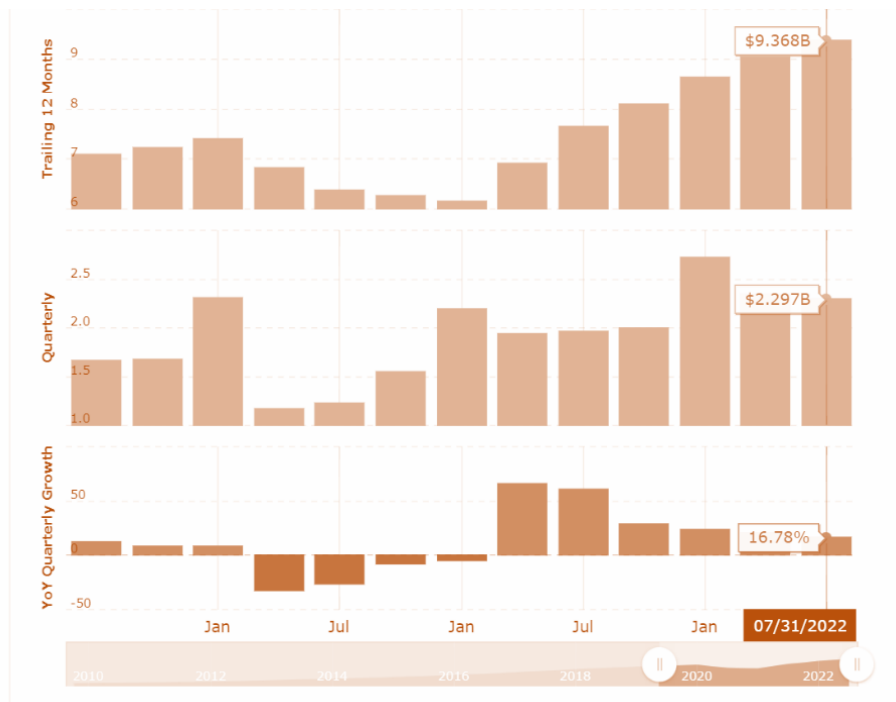
Ulta supports both their vision and mission through their values. According to Ulta " give wow experiences, improve always, win together, love what you do, own what you do, Do what's right, champion diversity"(Ulta Beauty, 2022). All of these show that Ulta wants to give its customers great experiences everytime that they walk in. In addition, Ulta is looking to constantly improve when it comes to their brand. Win together, they mean that not only is Ulta gaining profit, but we also benefit from their brand. By champion diversity and doing what's right it shows that Ulta is being inclusive to all people

SALES, PROFIT AND KEY FINANCIAL DATA- ALL

Throughout the past three years Ulta’s sales have shown a dramatic increase in their revenue. According to Ulta “Net profit was \$985.8 million compared to last year at \$175.8 million, up 461%.” (Kohan,2022). Ulta's increase in their sales was due to the “merchandise product mix and the hybrid shopping model with customers shopping in physical stores,”(Kohan,2022)

In the past three years, Ulta’s finances tell us a lot about how their company has become successful. Ulta Beauty's annual revenue for the year of 2021 was \$6.152 Billion. In 2022 we saw a 2,479 Billion increase in Ulta’s annual revenue from 2021. Ulta Beauty’s revenue soared up to \$9.368B.3

Figure 1 : Ulta Beauty Revenue 2022 as of 07-30-2022



Ulta added more merchandise, including beauty products owned by Latina and Black owned brands in their store in order to attract and gain more customers. Ulta also added more ways for customers to shop. Adding a shopping experience that includes shopping online and picking up in store, for the convenience of the customer. Giving the customer the opportunity to pick up the items that they ordered in store. Which would reduce the delivery time that they would have to wait if they ordered online. Two, it would save time, from looking around the store for the item that they would be purchasing.

ADVERTISING- MIRIAM

Ulta has a variation of advertising campaigns that help reach their audience. Ulta uses both traditional and digital forms of advertising to help promote their brand. The digital forms of advertising in which Ulta uses Social Media platforms. They use social media platforms like Instagram, Facebook and tik tok to help promote their brand and store. Ulta beauty's Tik tok currently has 328.3k Followers and 1.9 Million Likes. Their instagram currently has 7 Million followers with the use of hashtags to engage with their audience.

Engagement between customers and the brand includes the use of hashtags, comments and live videos. Ulta beauty has the the Hashtag, #UltaBeauty; Customers are able to post their own content, or pictures using and tag Ulta beauty for an opportunity to appear on Ulta's social media channels.

Ulta also uses traditional advertising to reach their audience. The use of traditional advertising is beneficial in reaching those generations in which aren't so tech savvy. Ulta beauty

uses mail advertising in order to reach Baby Boomers and Generation X. If you are signed up to Ulta beauty rewards, they send out catalogs to your address with perfume samples and images of products to purchase. Ulta beauty also includes descriptions and prices of the product in the catalog. These catalogs also include coupons which you can use in store or online.

To advertise to those Millennials and Generation Z, Ulta beauty has a strong email advertising presence. As shown in Figure 2, we see an example of how Ulta Beauty uses email advertising.

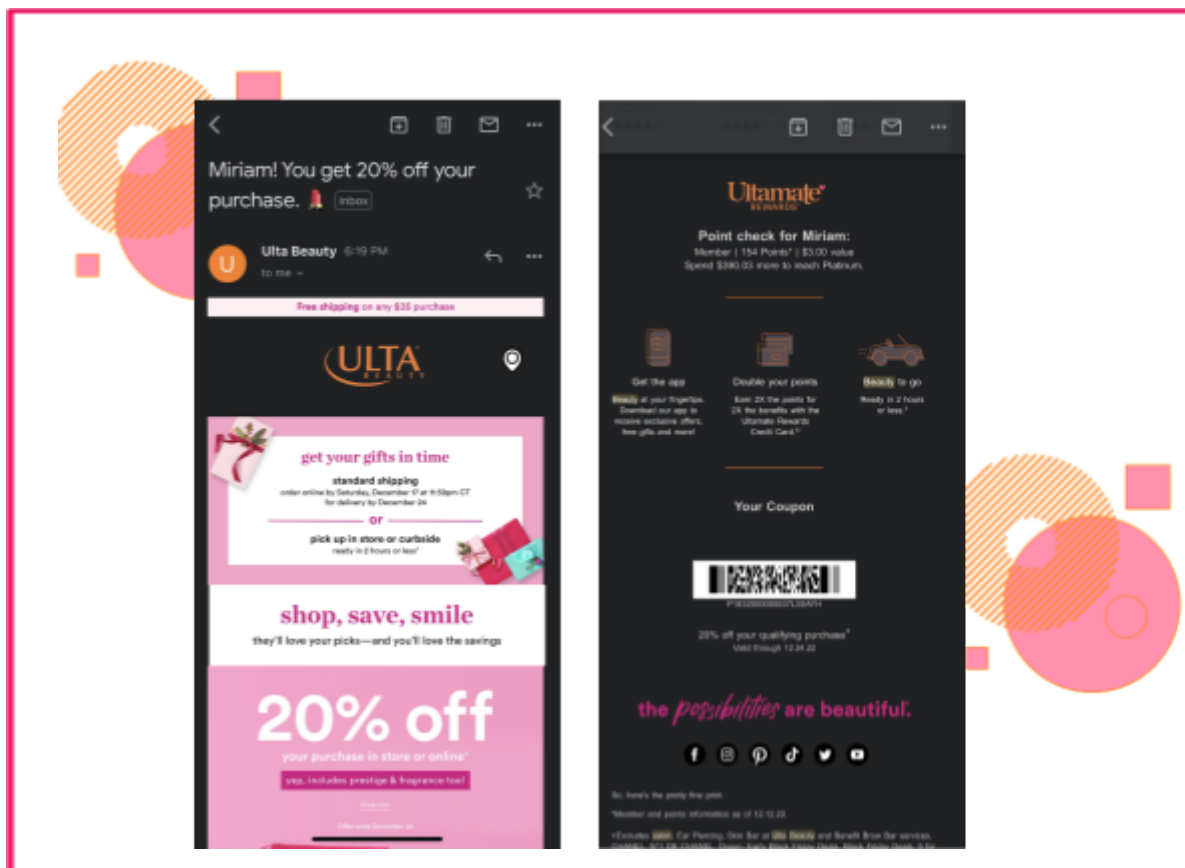


Figure 2: Email Advertising sent from Ulta Beauty

In the figure shown above, we see how Ulta uses personalization. They use personalization such as using the customer's name to catch the customers attention. Ulta beauty also includes a coupon in the email to get customers to shop at Ulta and receive a discount on a

purchase whether it be instore or online. In addition, Ulta is also including a point check, in which a customer can check and see how much of a discount they have on their next purchase at a Ulta.

ONLINE PROMOTIONAL ACTIVITIES-LUPE

Ulta has been able to keep up with marketing and promote themselves to the desired target market. Using social media marketing they have been able to increase sales and even promote any “flash sales” with influences. For instance in 2017 they were able to do a collaboration with the brand MAC, it has stated that “ the promotion used beauty vloggers to promote products that were available online before they were available in the store,”(publisher,2022). Due to the increase of desired sales this helped the company gain in e-commerce.

With social media ULTA is able to keep their customers involved using social media platforms such as Instagram, tiktok, twitter etc. “ They encourage customers to upload photos of themselves to social media networks like Instagram with Ulta products. The brand then reshares some hashtagged photos.” Using hashtags promoted by ULTA they help the customers interact with each other on these platforms by sharing their own talents in beauty, whether it be makeup looks, skincare or haircare.

Ulta has also been able to use app features to create a fun online shopping experience. Creating a feature where you are able to take a selfie and try on the product with it, if you are unable to go in the store you can still try them on in the comfort of your own home, this feature is called the Glamlab.

IMPORTANT EVENTS- MIRIAM & LUPE

Important events that have happened at Ulta beauty have included expansion into other retailers. For example, Ulta is partnering with Target to have Ulta exclusive products beauty in their store. Target is a retailer that made an estimated annual revenue of \$106.005B for 2022.

As displayed in Figure 3, we can see a store layout pro type that can be soon found at Target locations.



Figure 3: Ulta Beauty at Target Layout

Not only does Ulta Beauty plan on carrying products at Target Retailers, but be able to benefit from Target's practices. Customers who shop at Target, whether it be online or instore would be able to take advantage of Targets Fulfillment practices. Which include Order pickup, Target Drive up and Same-day Delivery. Order Pickup allows for you to order online and pick up in store the same day or the next day. Target drive up allows customers to pick up their order, simply by driving up to a target location. Same-day Delivery would be available to those who purchase items eligible for Same-day delivery. Ulta also plans to include their customer service

at Target locations. This includes training team members with expertise on beauty product recommendations

Being an eventful year, ULTA has been able to fulfill a year worth of special events for 2022. Every month has had something special to promote, whether it be holiday sales or spring sales. An example of a major event that many look forward to is known as 21 Days of Beauty. This event usually runs from August 28th to September 17th, being 21 consecutive days of sales which can range up to 50% off selected items in store.

SWOT ANALYSIS- LUPE

Strengths

- Provides very unique services
- Great customer interaction/ experiences
- Diversity in both high end and affordable products

Weakness

- Not a lot of individuals are aware about the store itself
- Lack of male representation
- Lack of LQTBQ representation

Opportunities

- The ability to introduce new services in store
- Creating benefits for loyal customers
- Growing market share in the US

Threats

- Store locations
- Constant change in the industry
- Word of mouth

When it comes to strengths Ulta has an advantage for customer interactions in store. Having a great business model, Ulta is able to keep the customers engaged at all times. When shopping at Ulta you have the benefit to browse upon high end and affordable products all in one store without the need to walk out and go into other stores. Brand awareness plays a very important part in the industry. If we are talking about stores in just the US then we are not doing so bad compared to our main competitor Sephora. However, if we are talking globally then we are at a very high disadvantage, having almost no international locations. Customer loyalty is a large aspect of what keeps the company going, introducing the customer with benefits would make them want to keep coming back. Not only just for already existing clients but for new ones as well. Creating some changes in the business plan of Ulta can create more opportunity for them to expand in the market share.

Living in an age where everything is influenced by social media and influencers there is always bound to be a constant change in trends, especially in the beauty industry. Like many brands, ULTA may have a difficult time keeping up with the constant change in trends. For instance, a James Charles palette went viral on TikTok because of a makeup look done by influencer NikkiTutorials. So now everyone is running to ULTA to get their hands on the palette. The following day it is still trending but all of a sudden it is now out of stock, a new shipment comes in or doubled the product that they usually get but the trend is over. Now they are stuck with a bunch of palettes that no one wants which will most likely end up going on sale to get rid of the excess inventory. Word of mouth may be a good thing yet a bad thing, again this has to do with influence. If someone talks down about a store or a product and it goes viral then everyone will talk down on said store or item which can create quite a conundrum for everyone.

OMNI CHANNEL ANALYSIS- DAISY

For its marketing technology requirements, Ulta Beauty is using the SAS Customer Intelligence 360 engagement platform. The firm required a solution to manage massive amounts of crucial customer-level data since their Ultimate Rewards Program loyalty offering had more than 95% sales penetration and 34 million active members. SAS Customer Intelligence 360 is used by Ita Beauty to handle a range of marketing and customer interaction initiatives, such as credit, loyalty, customer insights, and surveys(Kohan, 2022). The business claims that it has so far observed notable outcomes in the three key areas of automation, involvement, and retention. Multilevel customer journeys that used to take days may now be completed in a matter of minutes or hours by automating the processes involved in design and execution.

Ulta Beauty plans to keep enhancing individual customer journeys by utilizing the SAS Customer Intelligence 360 platform in the future. In order to prevent irrelevant offers and communications oversaturation, this endeavor will also entail ensuring sure the proper offers are given at the right time and through the appropriate channels. To enhance the consumer experience, beauty has made a lot of investments in smart technologies. The store announced its long-term financial goals for the fiscal years 2022 through 2024 in October 2021. In terms of technology, this included beginning a collaboration with Google to use Ulta's virtual try-on tool for eyeshadow and lipstick with a limited few brands on Google's Search and YouTube platforms.

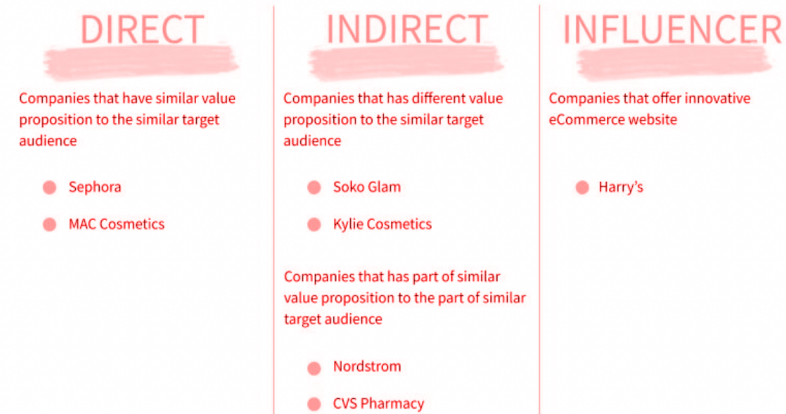
In order to fuel a new customized search engine for the retailer's website, Ulta also announced a strategic investment and cooperation with Adeptmind, an AI retail technology firm.

KEY COMPETITORS- DAISY

Unquestionably Sephora! Without a doubt, they have a similar loyalty program that entices clients to keep purchasing in order to accrue points that may subsequently be applied to purchases of goods. Both of them also give out birthday presents, which might entice consumers to return to the shop so they can get their free gift throughout the month of their birthday. The distinction? While Ulta provides both high-end and budget-friendly cosmetic goods, Sephora is a high-end makeup retailer. Because of the selection of affordable and expensive items, as well as the fact that they almost always offer some kind of discount you can use, I believe Ulta to be much more competitive than Sephora.

Figure 4: Ulta Beauty's Competitors 2020

ULTA BEAUTY'S COMPETITORS



Following up we have Nordstrom, Sally Beauty, JD.com, and Birchbox. The beauty business is incredibly competitive, and it only becomes worse as more companies join the market, whether they are independently financed start-ups like Trixie Cosmetics, which is made by well-known drag queen Trixie Mattel, or lines like Rihanna's Fenty Beauty (Morimoto 2020). It is supported by Kendo. Digitally native firms like Kylie Cosmetics, Morphe, and Dose of Colors have been able to enter the retail industry thanks to e-commerce and a clever influencer marketing plan. These firms have succeeded in maintaining their e-commerce operations in addition to their retail growth, whether it be through their own brick-and-mortar stores, wholesale agreements with businesses like Ulta and Sephora, or a mix of the two.

Sam Winberg of Retail CND has apparently been hired by the US firm to assist in finding their first Canadian location. Ulta is still in the early phases of expanding into Canada. None of the beauty retailers currently accessible to Canadian customers compare to Ulta. A really unique offering that Canadian beauty enthusiasts will welcome with open arms combines mass and luxury beauty, haircare, and skincare with their exclusive branded services.

RECOMMENDATIONS- LUPE & MIRIAM

The logo for the rapper Bad Bunny, featuring the words 'BAD BUNNY' in a large, bold, black, hand-drawn style font. The letters are thick and have a slightly irregular, brush-stroke appearance.

Ulta beauty is currently lacking representation in the LQTBQ community and representation with the male gender. GDM Consulting recommends that Ulta beauty collaborates with Generation Z content creators. A collaboration with a major celebrity such as Benito Antonio Martínez Ocasio also known as Bad Bunny. Currently Bad Bunny is the world's most influential artist who stands for vulnerability, transparency, and gender fluidity (Schneider, 2020). Bad Bunny influences acceptance within the LQTBQ Latino Community. He is known to have no fear of breaking the normal standards of a masculine figure. He has been seen painting his nails, hair, wearing skirts and makeup.

We recommend that Bad Bunny be the new Spokesperson for Ulta Beauty. He would advertise Ulta Beauty on his social media platforms such as Instagram and on Ulta Beauty's Instagram platform as well. His Instagram account currently has 44.5 Million followers. With this his promotion will reach millions of potential customers not only in the states but also globally. Which will increase e-commerce sales and possibly open up locations internationally since ULTA has been struggling to do so alone. Bad Bunny will not only attract those customers within the LQTBQ community, but as well as the Latino Community. He would drive those who are a part of the LQTBQ to shop at Ulta beauty.

With Bad Bunny bringing in new potential customers we would also recommend keeping them involved all around. When it comes to brand loyalty the company should be able to appreciate those who have been loyal all around. How can we do this? By customer interaction with social media and PR. This would specifically be towards customers who are a part of the rewards program. The way it works is by customers having a certain amount of points in order to be part of the PR list. In this list we select the people to receive PR packages of upcoming drops. This allows the customer to feel involved with their brand and to be appreciated by the company.

CONCLUSION- All

Ulta Beauty being a well known store in the states, has the potential to grow globally. We have shared current ideas to help them reach the target market they desired and help them reach further potential customers as well. With our help we hope to see Ulta flourish with the new improvement, from bringing in Bad bunny for representation in the Queer and Latino community to further customer interactions with apps and expanded services in stores.

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