# Sephora Case Study in Digital Merchandising Case Study Created by: Jerry On

#### Objectives of the case study:

Understand how sephora uses their best practices to stay relevant and drive sales through their digital platform.

#### Goals:

- Show the discipline in action and not just theory
- Decision Making Process
- User Journey
- Merchandising Strategy
- Optimization Logic

#### Overview:

Sephora is a global omnichannel retailer with brick and mortar presences, that sells beauty products including skin care, makeup, aroma, and other beauty items in store and online.

**Brand Name:** Sephora

Industry: Retail Beauty Space

Website/URL: <a href="https://www.sephora.com/ca/en/">https://www.sephora.com/ca/en/</a>

#### Why I chose this brand:

Sephora has dominated the beauty industry for many years and continues to be successful with stores all around the world. But what continues to make them money, something they are doing definitely is working and I am trying to find out why.

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- 6. Merchandising Strategy evaluation Strategic layer
- 7. Key Takeaways

## **Customer Journey**

#### Goal of the section:

Understand how a customer would move through the buying path.

#### Importance:

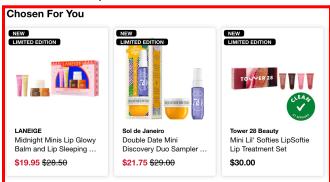
The customer journey highlights how easy or difficult it is for users to discover products, evaluate options, and checkout.

#### **Initial Impression:**

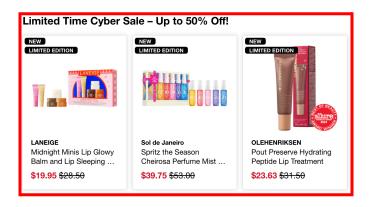
As I land on the landing page, the first thing to introduce is what "season" it is, as of today it is November 25th and right at the beginning of Cyber Week Deals.

New visitors can spot all the sub sections including:

#### Chosen for you



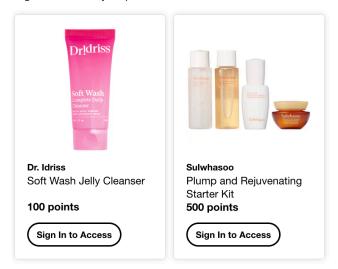
### Limited edition products/offers



#### **Beauty Insider Rewards**

#### **Beauty Insider Rewards**

Sign in to redeem your points.



#### **Guidance for categorization**



#### Search Bar

With a large search bar, customers can access their account, past orders, and "My Lists" at the top.



(Image 1: Computer: Landing Page Navigation Search Bar)

However, the design on the phone is different as the account and offers are present at the bottom of the screen.



(Image 2: Phone-Landing Page Navigation)

Navigation bar is present underneath the search:

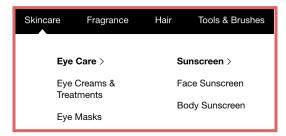


(Image 3: Computer: Landing Page Navigation)

#### Multiple Paths of actions:

#### Homepage -> Navigation Bar -> Skincare -> Sunscreen

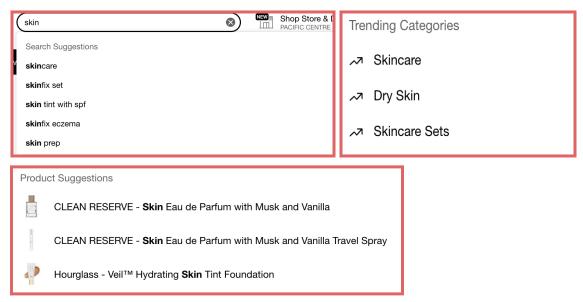
- The top navigation bar acts as a primary entry point for exploration.
  - Product categories are well-labeled for popular items such as Skincare, Fragrance, and Makeup that while hovering opens a drop down to visit niche sub categories such as Skincare -> Sunscreen -> Face Sunscreen.



(Image 4: Search Results of "Skin")

## Homepage -> Search -> PLP (Product Landing page)/PDP (Product Detail Page)

- With high-intent customers, they are able to easily use the search bar for specific products. Autocomplete search Suggestions, allow customers to help shorten their decision time with photos beside the product suggestions, and trending categories with relevant details.
- It helps find a product if the customer does not know exactly what they want and would rely on suggestions and trending products.

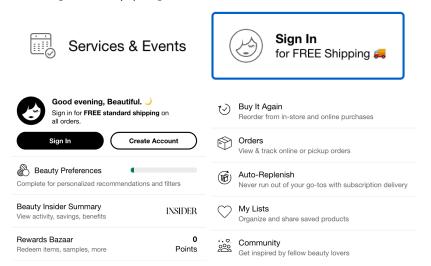


(image 5-7: Search Results of "Skin")

#### Homepage -> Navigation -> Account

Sephora does an exceptional job at personalizing the actions that can be done within the homepage for customer accounts. Including, Orders, Community, Reward Points, and buy it again subscriptions.

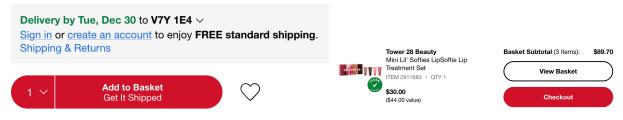
This allows the customers to navigate directly without having to filter through many pages that can cause frustration.



(image 8-10: Result of hovering account)

## Homepage -> Limited Time Sale -> PLP -> PDP -> Add To Basket -> Checkout or View Basket

The homepage to checkout with the high contrast buttons to make it easier for where to look when placing an order or viewing basket. It goes straight to the option of purchasing without unnecessary form fields or unclear cost breakdowns which increases the risk of abandonment



(image 11-12: Result of adding item to basket)

## Navigation - Core Merchandising Lever

#### Goal of the section:

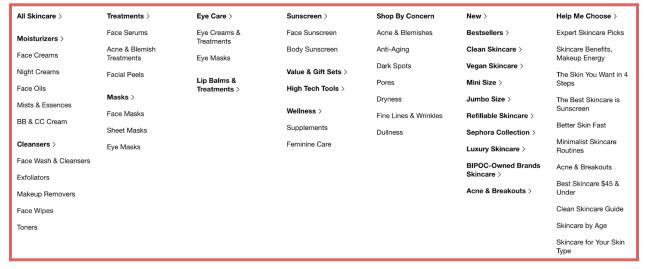
Understand how easily a product can be located through the Navigation Bar.

#### Importance:

Strong navigation reduces cognitive load, increasing product discovery, and directly impacts conversion.

#### **Initial Impression:**

As I hover through the navigation and on a category such as "Skincare", the drop down bar appears. This provides some keywords related to the category and that can give some ideas to the customer to figure out what they are looking for. If something does not match the description, they can view "All Skincare".



(image 13: Result of hovering skincare)

Each category has its own specific subcategories but what stays consistent is this general filtering. Including Vegan, Cruelty free, and New.

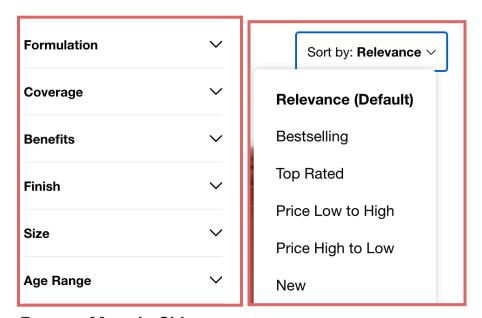


(image 14: Low level filtering measures)

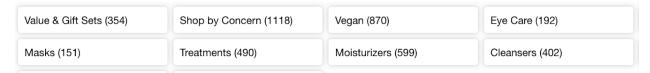
#### Throughout the Category hierarchy there are levels and depth.

- Level 1: Including prices, Gender, Brand, Age Range
- Level 2: Benefits, Formulation
- Level 3: Ingredient preferences

This hierarchy makes it intuitive and limits the amount of clicks needed to view specific purposes of the products.



#### **Browse More in Skincare**



(image 15-17: Drop-Down filtering measures)

#### Findability and Speed

Browsing/Exploring/High Intent - Categories are present when applying filters



(image 17: Applying Filters)

Returning Customer - Personalized categories of past purchases or preferences are present.



(image 18: Personalized Preference)

## PLP/PDP - The heart of merchandising

#### Goal of the section:

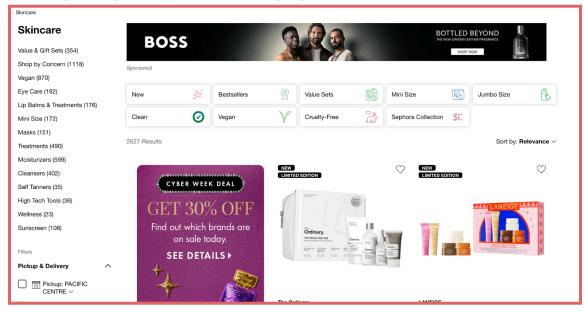
How does the PLP(Product Listing Page) and PDP(Product Detail Page) affect the purchase decisions from its UX, content, and Psychology.

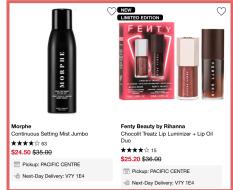
#### Importance:

A Strong PLP guides users to the right product, A strong PDP reduces uncertainty and builds confidence to convert.

#### Initial Impression - Product Listing Page

The PLP lists items in a grid with a consistent image (with a quicklook feature), within the image there is a category filter, the brand, item name, review, price, pick-up and delivery options.







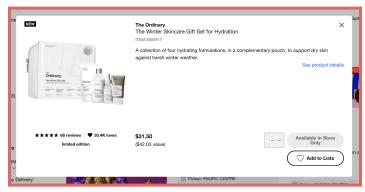
(image 19-21: PLP grid and Cards)

The design of the PLP works well with the style of the brand as the main colors are black and white. With each product card scaled to similar sizes, customers are able to identify which details match with the image.

#### Initial Impression - Product Detail Page

Landing on the product detail page there are two user interfaces.

One can be accessed through the "Quick Look" feature with a high-level overview that brings a pop-up overlay and the other one by just clicking on the image and heads directly to the product details.



(image 22: Quick Look Feature)

#### Product Detail Page - and its impacts

A strong Product Detail Page influences a customer's decision more than any other factor, as it directly impacts whether they will complete a purchase or abandon the page.

#### **Driving Purchase Decisions:**

Final Stop where customers decide to buy or not. Sephora pages are optimized, correct, easy to navigate, a customer would likely stay and explore.

#### Provides critical information:

What Sephora does well is provide crucial information to make customers feel confident in their purchase. Includes Delivery/Obtain ways, Image Slideshow, Highlights, About the product, Ingredients/How to use/Questions & Answers, Reviews, Compare similar products, You may also like.

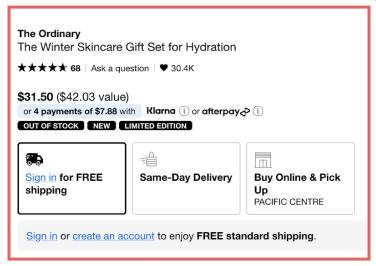
Including these sub-sections reduces the thought of "Will this product be the same in person", or "Am I getting exactly what I paid for" all on one page.

Answering most uncertainanties, providing alternatives, shipping dates, other reviews to see what the community is going for, image and highlights, creates an illusion that the guest is in store with all this information.

The layout is clear and easy to read, while also keeping the same brand theme, as items are sectioned off into containers.

#### Delivery/Obtain Ways:

Displays various ways to obtain the product. Removes the doubt or worry of a missing shipment, if the item is used, or to hold onto the item in store. Provides "Free Shipping" as an incentive to create an account which they are able to send emails to and boost digital presence.



(Image 23: Delivery/Obtain Ways)

#### Image Carousel w/Zoom In Function:

Provides multiple photos for a 360° view and a video tutorial going over the product. This gives guests a sense of comfort and ease of what to expect when they get their hands on it.





(Image 24: Image Carousel)

#### Highlights:

Reinstates what makes this product special and is presented in miniature vector graphics for quick and easy identification. It gives a good user experience as those images do not change and can be seen through other product pages.



#### About the product:

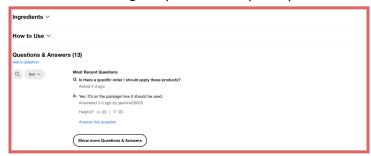
Instead of a long descriptive jargon paragraph on what the product is. It is described in quick to the point, what you are looking for, questions and answers all in one section.



(Image 26: About the product)

#### Ingredients/How to use/Questions & Answers

For a more personalized shopping experience, Sephora provides how to use the product with most recent questions, it offers guests an option to look for existing inquiries they may have.



(Image 27: Ingredients/How to use/Questions & Answers)

#### Reviews:

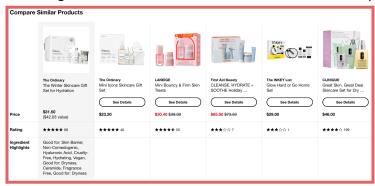
Having the recommended percentage and "Authentic Reviews" give new customers the reassurance that the product is worth purchasing and it is social proof from other people which helps remove uncertainty.



(Image 28: Reviews)

#### Compare Similar Products:

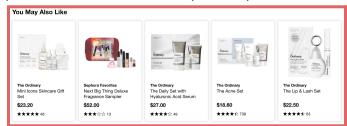
Based on each product, the similar price, rating and type of product which in this case is "Gift" is provided to compare products and accessible when clicking on the "See Details" button on each product card.



(Image 29: Compare Similar Products)

#### You may also like:

Sephora decides to provide the same brand for suggestions of other products with similar quantity "Set" of items.



(Image 30: You may also like)

## <u>Search – High-intent buyers tools</u>

#### Goal of the section:

How fast can I find what I am looking for using the search bar?

#### Importance:

A strong search tool assists guests easily find what they want and it allows businesses to promote products that are relevant to the words inputted into the search bar.

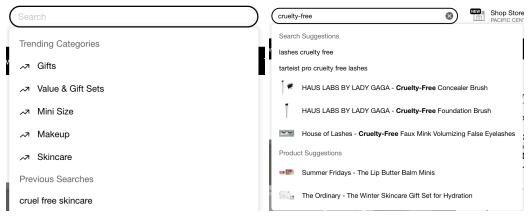
#### Initial Impression - Search Bar

The results as I click on the search bar provides me with "Trending Categories" that could have been promoted online or a specific category. It would be more likely there are gift sets closer to the holidays.

Once some texts are inputted, Search Suggestions are updated to filter out searches relevant to the texts.

Results with images are specific PDP pages. Results without images go into the PLP with filters attached for relevancy.

As a guest you are able to search up "Highlights" for example, "Vegan", "Hydrating", "Dry", "Sensitive". And the products with those highlights will appear in the product suggestions.



(Image 31: Search Bar Results)

For example: Searching up cruelty-free shows products that are cruelty-free as a highlight and does not have to be in the name of the product.

## Cart checkout flow - Understanding drop offs

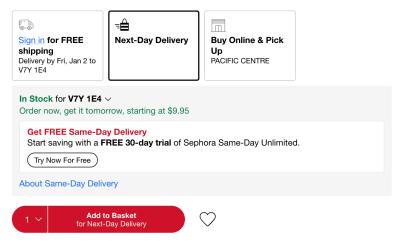
#### Goal of the section:

How does Sephora make a friction-free intuitive checkout process? **Importance:** 

Smooth checkouts impact the conversion rate, revenue and repeat business. Understanding this section creates a better experience for the guest and minimizes lost sales and damaged brand perception.

#### **Initial Impressions:**

Starting off at the product detail page (PDP), I am able to decide how I want to obtain my product, and as I click on the options, there are brief texts on what it is if a customer is new to that information. As for Same-Day Delivery, I am able to adjust my zipcode as a pop-up appears which is very convenient.



(Image 32: Checkout/Obtain options)

Upon adding the item for Same-Day Delivery, I am given a pop-up to view the basket for my other items or checkout immediately without further navigation on my end.

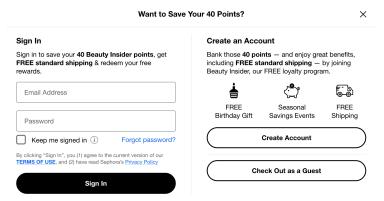


(Image 33: Same-Day delivery Option)

Immediately checking out gives another pop-up to sign in, create an account, and check out as a guest.

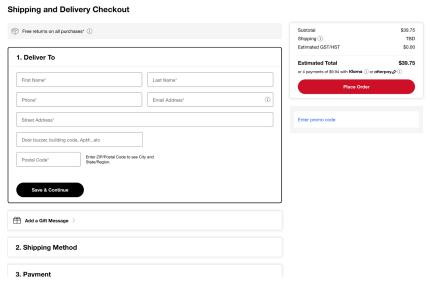
With the options available, it provides all the benefits with visual photos so the guest knows what they are signing up for.

And if the customer is not interested, they can checkout as a guest which as an option encourages a transparent process.



(Image 34: 3 Personalized benefits)

Checking out as a guest, the guest can immediately add in their information, clear labelling, and if you have a promo code, the guest can add it without any questions. There is no irrelevant information and goes straight to the checkout process. "Place Order" button is in a red contrast, which allows visibility.



(Image 35: Shipping and Delivery Checkout)

## Merchandising Strategy evaluation

#### Goal of the section:

In an already competitive market in the retail beauty industry, what makes people go to Sephora and what makes it different to stay at the top?

Importance:

Following trends, identify category opportunities, innovation and exclusivity keeps the brand moving forward while maintaining its spot in the market. Without evaluation, the company risks losing its spot in what makes them different from everyone else.

#### **Initial Impressions:**

Sephora approaches its merchandising strategy by portfolio direction, brand positioning, customer experience and long-term category growth.

Each category on their website has key elements which makes them shine.

#### Brand Portfolio and Category Role:

#### How they do it with:

#### Category role assignment

- Traffic Builders (Basic Skin Care)
- Image Drivers (Classic, Prestige, New)
- Profit Drivers (Exclusive Brands, Sephora Collection)

#### Portfolio Mapping

- Niche
- Luxury
- Clinical
- Emerging
- Core
- Indie

#### Gap Analysis:

• Determines if new brands should fill gaps of trend, price ladder, or customer need.

#### **Evaluation:**

Does the category support Sephora's brand promise of (Innovation + Prestige)?

Does it differentiate Sephora vs Competitors

Does the brand/category enhance Sephora's role as a trend leader?

#### Customer-Centric Insight Integration

Sephora leverages customer insight to measure strategic alignment.

#### How they do it: With strategic KPI's

- Shifts in customer segments
- Category penetration goals
- Need-State Coverage (Hydration, anti-aging, acne, fragrance layering, etc)
- Brand Relevance to target segments

#### **Evaluation:**

- Does this brand align with evolving consumer values (clean beauty, inclusivity, sustainability)?
- Will this assortment deepen relevance for core consumer cohorts?

### Differentiation through exclusivity and Innovation

Sephora's core pillar merchandising strategy is differentiated access.

#### How they do it: with strategic drivers:

- Exclusive launches (brand or SKU exclusives)
- Early access programs
- Innovations in formats, ingredients, and value propositions.

#### **Evaluation:**

- Does the brand/assortment advance Sephora's innovation leadership?
- Is exclusivity meaningful enough to drive traffic and loyalty?
- Does it reinforce Sephora's reputation as the discovery destination?

#### Omnichannel Merchandising Coherence

Evaluating through the lens of a unified ecosystem: stores + app + website.

#### How they do it: Strategic Layer KPIs

- Consistency of brand storytelling across channels
- Digital discoverability (Search, personalization, reviews, videos)
- Omnichannel conversion lift (Store discovery -> app reorder)

#### **Evaluation:**

- Does the merchandising strategy strengthen Sephora's digital-first beauty authority?
- Is the assortment optimized for digital behaviors (try-on, shade matching)

#### Vendor and Partnership Strategy

Partner brands are strategic assets.

How they do it: Strategic Criteria

- Long-term brand health (not short-term FOMO trends)
- Marketing alignments and co-investment support
- Supply chain reliability
- Brand equity and founder influence

#### Strategic Evaluation Questions

- Is this brand a long-term partner capable of growth?
- Does their differentiation justify a place in Sephora's prestige environment?
- What is their contribution to category health?

#### Financial Portfolio Performance (Marco-Level)

Strategic Evaluation focuses on portfolio performance

#### How they do it: Metrics

- Margin mix by category and brand tier
- Growth rate vs strategic targets (e.g. skincare outpacing makeup)
- Exclusives share of total revenue
- Strategic return on investment from brand launches vs expansions

#### **Evaluation:**

- Is the brand portfolio delivering sustainable, profitable growth?
- Does the category balance high-margin vs high-volume plays?

#### Trend foresight and innovation pipeline

Sephora's strategic-level future-oriented scanning.

#### How they do it: Inputs

- Trend forecasting (ingredients, formats, creator-led brands)
- Social sentiment and creator influence mapping
- Competitive landscape monitoring

#### Strategic Questions

- Are we investing early in the next category wave )Derm-backed, fragrance oils, barrier repair)?
- Are we leading or following in innovation cycles?

#### Brand Experience and Store Identity Coherence

Sephora evaluates whether merchandising supports the experience and innovation nature of its stores.

#### How they do it: Experience alignments

- Interactivity and Education Potential
- Visual Identity and Navigation inputs
- Premium and Inclusive Positioning inputs

#### **Evaluation:**

- Does the assortment support Sephora's hands-on, discovery-oriented retail model?
- Does the brand contribute to visual identity and in-store navigation?
- Does it elevate Sephora's positioning as a premium and inclusive beauty retailer?

## Key Takeaways

What Sephora does well is excel in guided product discovery, Uncertainty and friction reducing experiences with their PLP/PDP, seamless integrated content and commerce, and leveraging omnichannel data and loyalty to deepen engagement which creates their own digital merchandise approach.

#### **Guided Product Discovery:**

Through strong filters, personalized recommendations, highlights, and images, Sephora makes it easy for users to find the right product quickly. The site similarly behaves like a digital store associate guiding choices.

#### PLP/PDP:

Product tiles and pages follow brand style. Filled with reviews, badges, and educational content. This information applied in sections with the right information density helps customers feel confident when making a purchase and accelerates conversion.

#### Seamless Integration of content and commerce:

Tutorials, looks, videos, and buyer guides support the product education and boosts the likelihood of liking the style of how information is presented. Sephora understands that education fuels purchase intent, especially in their industry which would be beauty.

#### Leveraging Omnichannel data and loyalty:

Offering personalization such as birthday gifts, in-store testing, beauty insider perks, specialized in shop workshops. Their merchandising strategy works across devices and channels for a whole cohesive experience