

Johnna Marcus

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What is "SoLoMo"...

"SoLoMo represents the collision of social, local and mobile media"

"SoLoMo - Portmanteau term for the meeting of Social, Local and Mobile media." New York Times Feb 22, 2001

"With rise of smartphones and tablets that integrate geo-location technology such as GPS to help users locate what's around them, the term has evolved into what industry experts are calling Social Local Mobile Search (SoLoMo)."

"SoLoMo Revolution Picks Up Where Hyperlocal Search Left Off" Mashable Jan 12, 2012

SOCIAL @ SEPHORA





Get real-time answers, expert advice and your fix for all things beauty. Ointerest Outerest





Sephora on Facebook



Facebook Photobooths



SF Powell San Francisco, CA

Caesars Palace Las Vegas, NV

1 Times Square New York, NY

Most Recent Photos





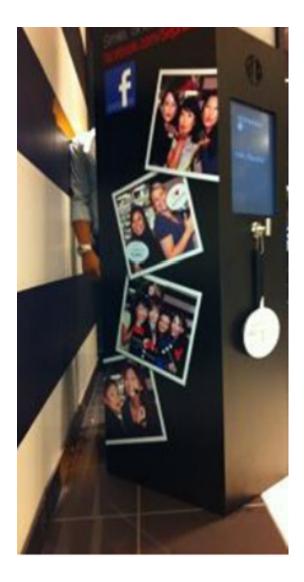




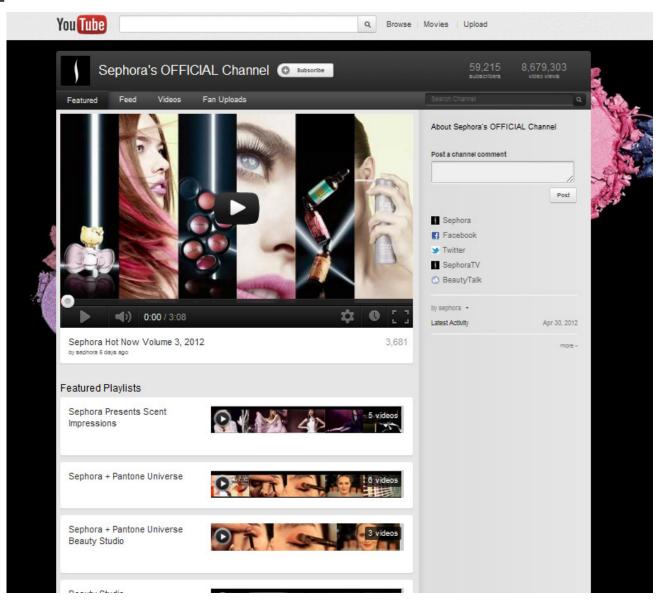
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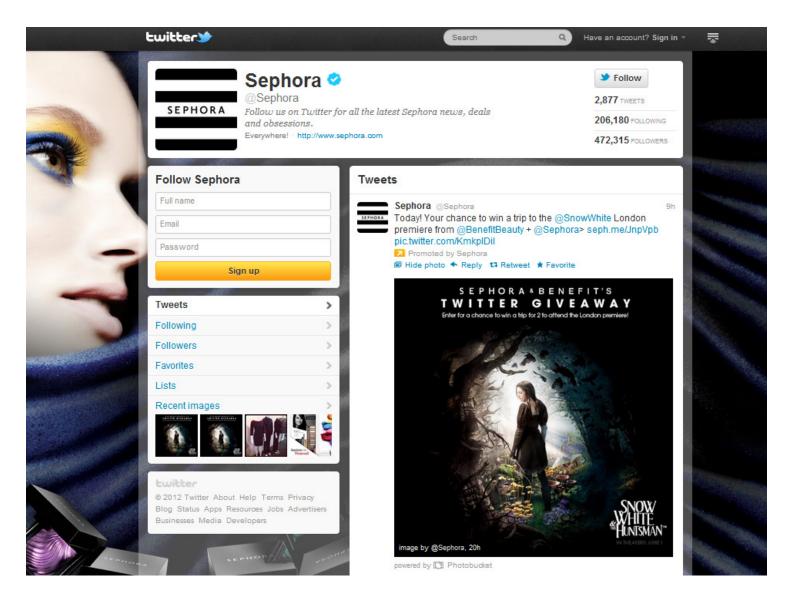
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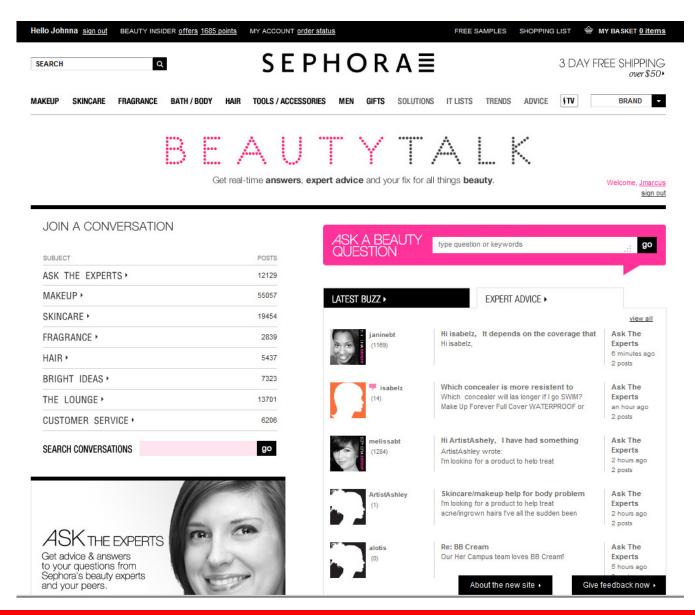
Sephora's Official YouTube Channel



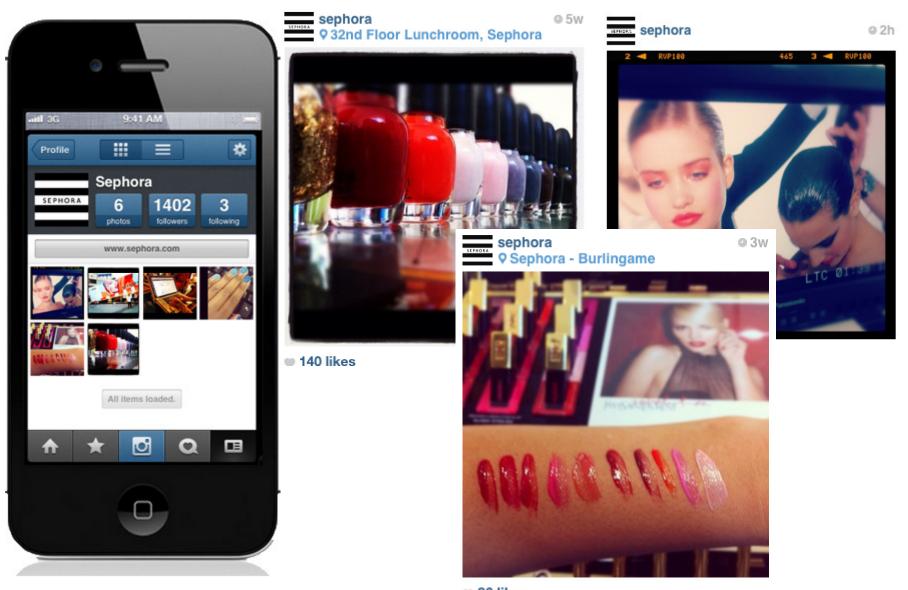
@Sephora on Twitter



Beauty Talk | Sephora's Beauty Community



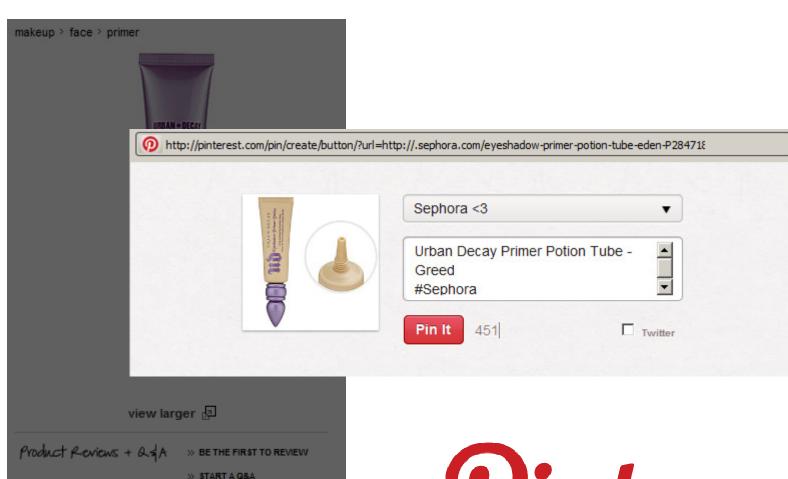
Instagram | Behind the Scenes @ Sephora



Instagram | Clients sharing experiences



Pinterest Pin Buttons on Sephora.com



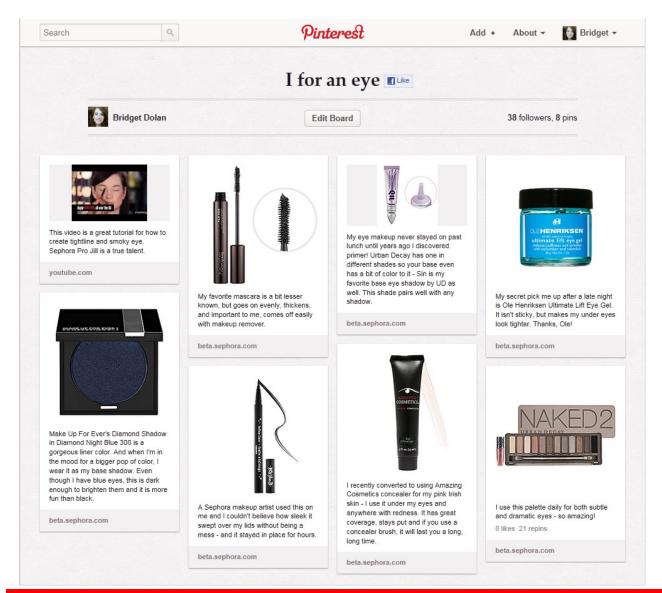


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Sephora Boards on Pinterest | Staffers Picks





Social: What Works Well

- Create a Customer Service strategy around your Social Media channels
 - Your customers are talking to you here, need dedicated staff & processes to handle customer service, answer questions & address issues

Social: What Works Well

- Create a Customer Service strategy around your Social Media channels
- Create a structured communication plan for Social Media
 - Define the cadence & purpose of messages across each channel
 - Plan content in advance similar to your other channels
 - But, leave room for flexibility too

Social: What Works Well

- Create a Customer Service strategy around your Social Media channels
- Create a structured communication plan for Social Media
- Jump Into what's Hot & New
 - Hard to tell what will be a hit
 - Social grows too quickly to sit back & wait

Social: Opportunities

- "Knowing" your customers in Social Media
 - Largely customers in the social space are unknown, though we often assume they are many of our best customers
 - Some capabilities like Facebook, single sign on for communities, etc - allow you to know who are your best customers in Social Media

Social: Opportunities

- "Knowing" your customers in Social Media
- Prioritizing communications & offers for Social Media vs. Loyalty Network
 - Because customers in Social channels are often unknown, it is challenging to prioritize content
 - What Exclusive/New info do you give to Social Media first? Vs. What goes to your loyalty program members?

Social: Opportunities

- "Knowing" your customers in Social Media
- Prioritizing communications & offers for Social Media vs. Loyalty Network
- Making the commitment to Staff Social media
 - To support customer service & to provide timely updates & content, dedicated staff is needed to support Social Media channels
 - Prioritizing this headcount as part of your customer service, loyalty & branding is a must

MOBILE @ SEPHORA

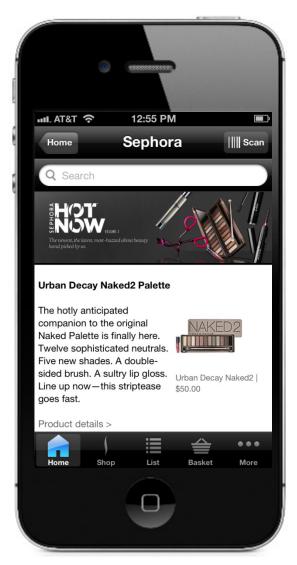
Sephora clients are #MadAboutMobile

- 50% of clients open emails on mobile phone
- **■**70% iPhones
- 2 Million iOS App Downloads



Clients shop mobile #ConnectedToSephora

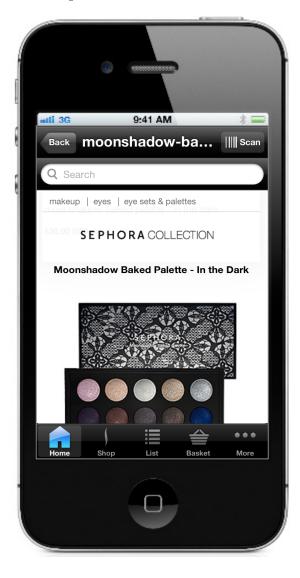
- +300% mobile sales in 2011
- Expect +100% sales growth in 2012

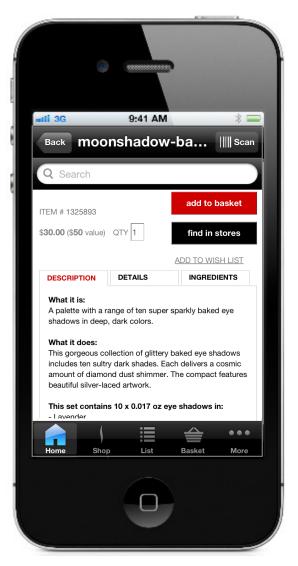


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Sephora to Go | View Products

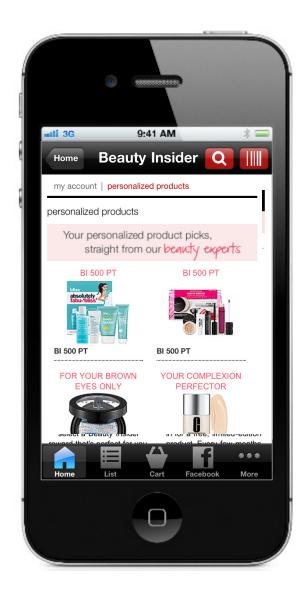
- Product info
- Ratings & reviews
- Add to list
- Find in stores

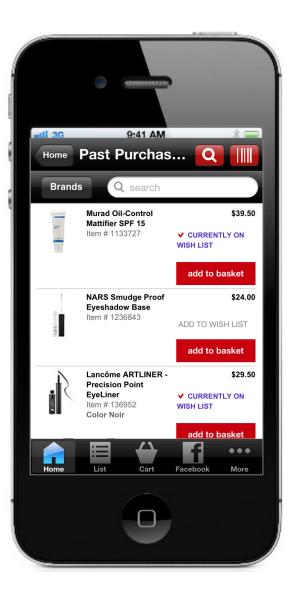




Sephora to Go | Beauty Insider

- Rewards & Points
- Past purchases
- Wish lists

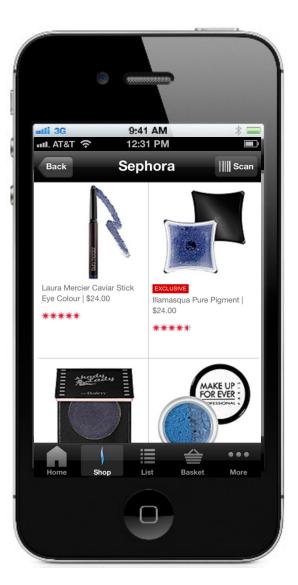




Sephora to Go | Shop by Color

- Rewards & Points
- Past purchases
- Wish lists





Sephora clients love #DigitalBeauty

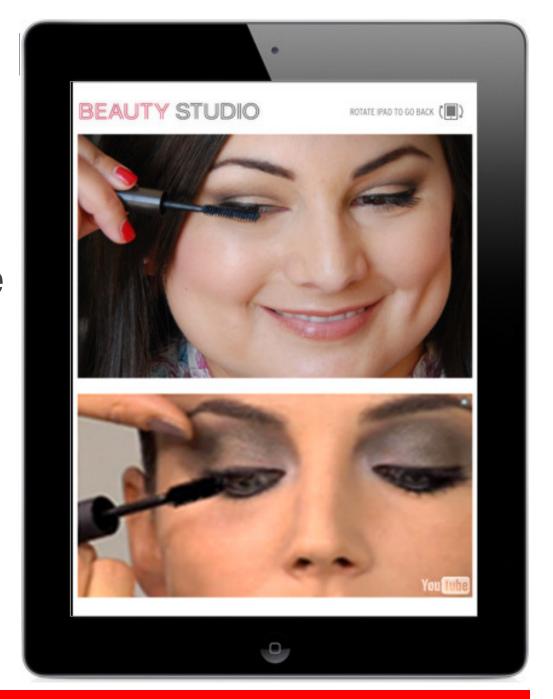
■ iPad traffic is +400% Q1 2012 over



SEPHORA CONFIDENTIAL Page 2

Sephora for iPad Virtual Mirror

- Client can watch how-to videos & follow along in the virtual mirror
- New iPad/iPad 2 only



- Get out Early; Test & Evolve
 - If you're struggling to build a business case for Mobile, get a low-cost option in place & learn from it
 - Customers will tell you what they do & don't like
 - Test new concepts, measure rigorously to find out what to do next

- Get out Early; Test & Evolve
- Mobile should meet your USERS' needs
 - What devices/platforms do they actually use?
 - Native apps provide rich user experience & device integration
 - Mobile Web is a must to provide broadaccess to all smartphone users

- Get out Early; Test & Evolve
- Mobile should meet your USERS' needs
- Tablet's aren't just Big Mobile devices
 - Mobile is an "On the Go" scenario what will your clients do with your app/mobile web in that context?
 - Tablets are more immersive, peek usage is evenings – often multi-taking in front of the TV or before bed

- Get out Early; Test & Evolve
- Mobile should meet your USERS' needs
- Tablet's aren't just Big Mobile devices
- Measure, Measure, Measure
 - Mobile analytics needs to be as rigorous as the analytics you run for your .com business
 - You can't improve it, if you can't measure it

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Mobile: Opportunities

Mobile First

- Websites and web applications should be designed for mobile first - Luke Wroblewski
- Mobile is growing quickly, this is one way to reach a large audience quickly
- The size of mobile devices forces you to focus on what's really important – utility & usability
- Expand your capabilities using Location & Device capabilities unavailable in the PCworld

Mobile: Opportunities

- Mobile First
- Targeted Messaging for Mobile & Tablet
 - Many customers are opening email on Mobile/Tablet devices – optimizing for the User Experience on these devices is the first step
 - Optimize for how customers use these devices as well – time of day messages are sent, types of behaviors customers do on these devices are different
 - Consider preferences for communications:

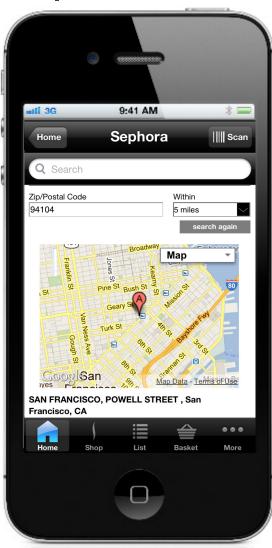
Mobile: Opportunities

- Mobile First
- Targeted Messaging for Mobile & Tablet
- Shopping as a Cross-Channel Pursuit
 - Customers don't do the same activities on all devices, so your KPIs can't be the same
 - Customers are often interacting with you at multiple points before a purchase
 - Think of the customer experience & what devices support that instead of thinking of "apps", "mobile", "tablet" as silos.

LOCAL @ SEPHORA

Sephora to Go | Store Locator

- GPS enabled Store Locator
- Click to view store information, Events & directions

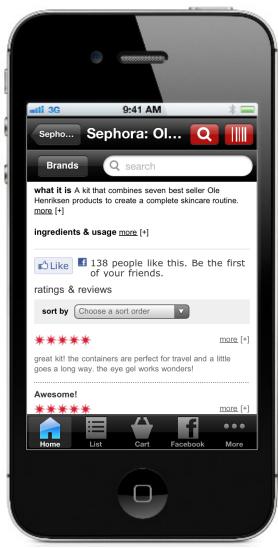




Sephora to Go | Scan for Reviews

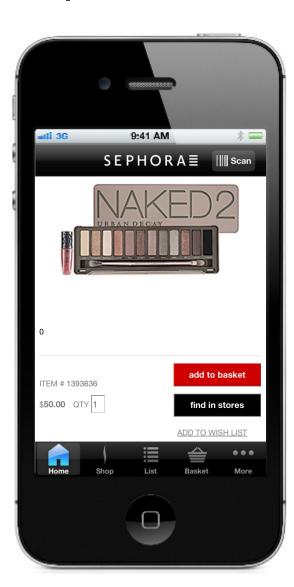
- Scan any barcode or QR
- Links to
 product
 info,
 reviews &
 click to buy
- Watch videos

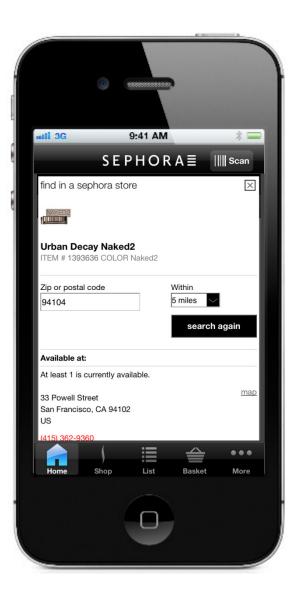




Sephora to Go | Find in Stores

- Shop any product on mobile devices
- Find availability in nearby stores





Local: What Works Well

- Mobile is the Remote Control for your life
 - Use customer research & analytics to understand the most important "on the go" utilities for your customers

Local: What Works Well

- Mobile is the Remote Control for your life
- Make the Call to Action right for Location capabilities
 - Incorrect address or bad directions = lost opportunity
 - Location features are most often used in "on the go" – optimize the user experience for 3G speeds

Local: What Works Well

- Mobile is the Remote Control for your life
- Make the Call to Action right for Location capabilities
- Give your Employees the Data too
 - Customers walk into your store having done a lot of research, give your Employees a chance!
 - Inventory, Product data and Reviews should be easily accessible on the floor

Local: Opportunities

- Location data has to be accurate
 - Store location needs to be right & your customer doesn't have time / focus to verify the directions on the way

Local: Opportunities

- Location data has to be accurate
- If you compete on price, "showrooming" will happen to you
 - Your customer already uses her phone in store, make your app her preferred option
 - Customer service, better content & loyalty
 - Amazon Prime is nice Instant Gratification is better, remove obstacles to purchase instore right now

Local: Opportunities

- Location data has to be accurate
- If you compete on price, "showrooming" will happen to you
- If Out of Stock, make it easiest to order from your direct channel
 - Consumer wants a specific product, but your store is out, keep the customer by making online purchase from your direct channel

