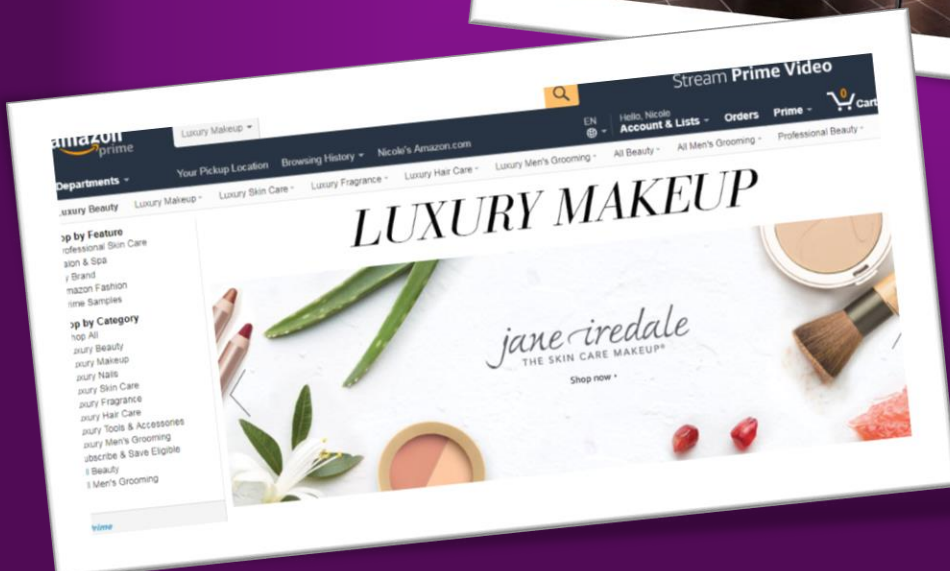# MARKET SHARE MODEL
## U.S. COSMETIC RETAILERS
### ULTA    |    SEPHORA    |    AMAZON



NICOLE MILLER

*BQOM2521 – Decision Making in Complex Environments*

*27 March 2018*

# CONTENTS

## ASSIGNMENT

Create a market share model in SuperDecisions, enter judgments, and synthesize to get relative market share.  Compare results to actual market share data and describe how well the model performed.

## ALTERNATIVES

As little girls, my sister and I would watch my gorgeous mother get ready for events, and we've loved all things beauty ever since: makeup, nail polish, fragrances, skin care... my sister even went to cosmetology school!  (I became an engineer, which is just as fun, right?)  To choose a market for which I know retailers or products inside and out, I could think of few things I would be more enthusiastic to compare.  For this market share comparison, I chose to examine three cosmetic retailers and their share in the U.S. market: Ulta, Sephora, and Amazon.  I have spent hours (and probably thousands of dollars) at Ulta and Sephora physical retail locations, or on their websites in addition to Amazon.

### Ulta Beauty, Inc.

Founded in 1990, Ulta Beauty, Inc. is a United States-based beauty retailer whose stores provide cosmetics, fragrance, skincare, haircare, bath and body products, and salon styling tools, as well as others, including nail products and accessories. It offers private label products consisting of Ulta Beauty Collection branded cosmetics, skincare, and bath products.  As of November 3, 2017, the company operated 1,010 retail stores. Its full-service salon offers hair, skin, and brow services.  The company provides products through its website, ulta.com. [1]

### Sephora USA, Inc.

Sephora USA, Inc. owns and operates a chain of perfume and cosmetics stores worldwide.  The company offers makeup products, skin care products, fragrances, hair care products, bath and body products, nail products, professional tools and brushes, men's products, gifts, and more.  It also provides beauty services, including custom makeover and personal one-on-one services.  In addition, the company offers beauty classes, as well as a client loyalty program, which provides clients with access to gifts, event invitations, and select products.  Further, it sells products through its online store.  The company was founded in 1970 and is based in San Francisco, California with corporate offices in New York and Montreal.  Sephora USA, Inc. operates as a subsidiary of LVMH Moët Hennessy Louis Vuitton S.E. [2]

### Amazon.com, Inc.

Amazon.com, Inc. engages in the retail sale of consumer products and subscriptions in North America and internationally.  The company operates through three segments: North America, International, and Amazon Web Services (AWS) segments. It sells merchandise and content purchased for resale from vendors, as well as those offered by third-party sellers through physical stores and retail websites.  In addition, it offers programs that enable sellers to sell their products on its Websites. [3]

# CRITERIA

## Criteria

### Clusters

I brainstormed a list of criteria and grouped them into the following clusters:

| Stores | Financial | Online | Products |
|---|---|---|---|
| • Layout/appearance<br>• Number of locations<br>• Prestige<br>• Salon/spa services<br>• Customer service<br>• Knowledgeable salespeople | • Price<br>• Coupons/discounts<br>• Loyalty Program | • Ease of navigation<br>• Shipping costs<br>• Ease of online checkout | • Authenticity<br>• Samples/promotions<br>• Selection/brands |

### Node Descriptions

1. Number of retail locations
   *Sephora and Ulta have physical retail locations while Amazon has only an online presence. Sephora has about 706 stores in the U.S. and Ulta has 974 locations.*

2. Store layout/appearance
   *Not applicable to Amazon. It's important that Sephora and Ulta create environments in which customers feel welcome and can easily locate products.*

3. Ease of website navigation
   *Customers must be able to easily locate products online, compare products to similar options, and be introduced to products they didn't know existed.*

4. Online checkout
   *The online checkout process must be painless in order for customers to want to return. Ideally, a customer can login to make the process more efficient.*

5. Coupons/discounts
   *Some retailers offer in-store coupons or discounts, which incentivize shoppers and boost sales, potentially even via impulse purchases simply due to having a coupon.*

6. Selection/Brands available
   *Sephora and Ulta each carry their own private-label brands, but otherwise Sephora tends to sell more designer/luxury brands, whereas Ulta tends to carry some luxury brands and some drugstore brands. Amazon carries many drugstore and luxury brands, though there are some designers that do not sell via Amazon.*

7. Prestige
   *There is a certain level of prestige associated with each Ulta, Sephora, and Amazon. Amazon is typically not regarded as a prestigious luxury cosmetic store, Ulta is likely more middle-of-the-road, and Sephora is more upscale as a division of the LVMH family.*

8. Loyalty program

*Shoppers typically enjoy perks, including freebies and discounts, as members of a loyalty program. This is not applicable to Amazon.*

9. Shipping costs
   *Shipping costs affect price and people are more likely to be put-off by a high shipping cost. Sephora and Ulta have comparable shipping costs which also incentivize shoppers who spend over $50, and Amazon offers free two-day shipping for Prime members, though shipping varies depending on the seller and product.*

10. Promotions/Samples
    *Promotional or sample items give shoppers an opportunity to try before they buy. Sephora is great at either giving their customers free samples or even creating a sample for them from a trial product. When shopping online, Sephora lets you choose free sample items at checkout. Ulta will also occasionally give away tote bags or sample products. This is not applicable to Amazon.*

11. Salon/spa services
    *Not applicable to Amazon. Some retailers will offer in-store salon or spa services such as hair cutting/styling, facials, and makeovers.*

12. Price
    *Often the driver behind the consumer's decision making, price is an important criterion in retail.*

13. Authenticity (meaning counterfeit risk)
    *Customers purchase products under the assumption that they are receiving authentic, unused items. There are many counterfeit products online, and since private sellers can sell products on Amazon, there is a high risk of unintentionally buying counterfeit products. Ulta has been in the news recently for re-shelving returned, used items which is unethical and a health concern.*

## DECISION MODEL

**SuperDecisions Model**
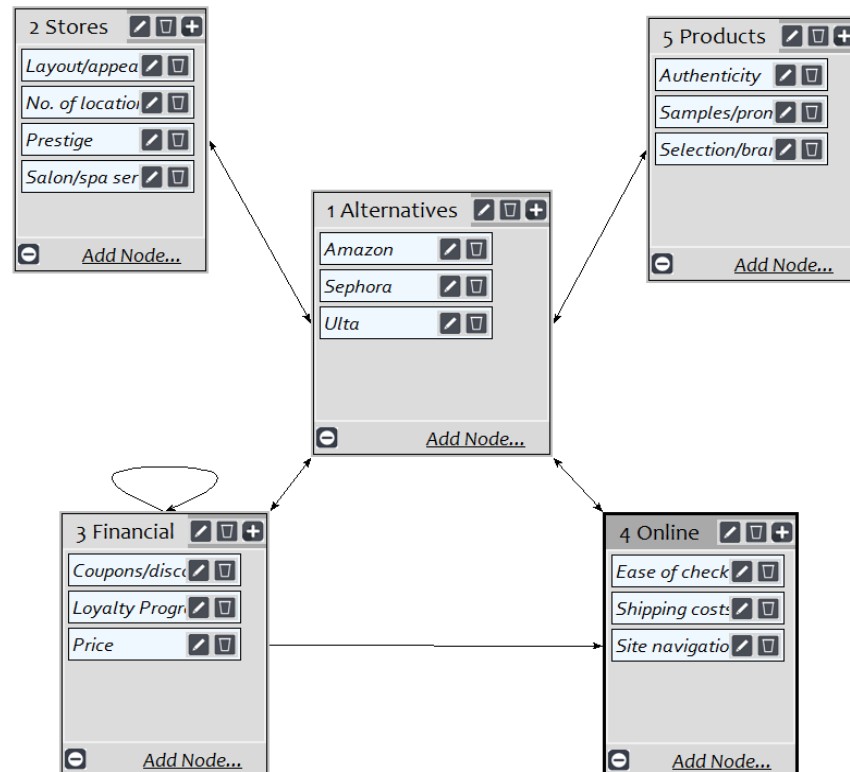
**Alternative & Criteria Links**

I linked the alternatives to the criteria (and criteria to alternatives) with the following notes:
- Within the "2 Stores" cluster, I did not link Amazon to layout/appearance, number of locations, nor salon/spa services (and vice versa) because Amazon does not have physical retail locations. I did link Amazon to prestige.
- Within the "3 Financial" cluster, I did not link Amazon to loyalty program (and vice versa) because it does not offer a loyalty program.
- Within the "3 Financial" cluster, I linked coupons/discount to price since they influence price.
- Between the "3 Financial" and "4 Online" clusters, I linked shipping cost to price.

I made cluster comparisons and node comparisons for each alternative/criterion, and I ran a Sanity Check to ensure the model was complete.

**Output**

*Unweighted Supermatrix*

| Clusters | Nodes | 1 Alternatives | | | 2 Stores | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| | | Amazon | Sephora | Ulta | Layout/appearance | No. of locations | Prestige | Salon/spa services |
| 1 Alternatives | Amazon | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.067026 | 0.000000 |
| | Sephora | 0.000000 | 0.000000 | 0.000000 | 0.800000 | 0.500000 | 0.661198 | 0.200000 |
| | Ulta | 0.000000 | 0.000000 | 0.000000 | 0.200000 | 0.500000 | 0.271776 | 0.800000 |
| 2 Stores | Layout/appearance | 0.000000 | 0.129821 | 0.063952 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | No. of locations | 0.000000 | 0.276680 | 0.568240 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Prestige | 1.000000 | 0.536857 | 0.231714 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Salon/spa services | 0.000000 | 0.056642 | 0.136094 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| 3 Financial | Coupons/discounts | 0.200000 | 0.104729 | 0.199810 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Loyalty Program | 0.000000 | 0.258285 | 0.116850 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Price | 0.800000 | 0.636986 | 0.683340 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| 4 Online | Ease of checkout | 0.142857 | 0.208127 | 0.308996 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Shipping costs | 0.571429 | 0.660761 | 0.581552 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Site navigation | 0.285714 | 0.131112 | 0.109452 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| 5 Products | Authenticity | 0.704936 | 0.773171 | 0.751042 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Samples/promos | 0.084144 | 0.087667 | 0.087151 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Selection/brands | 0.210920 | 0.139162 | 0.161807 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |

| Clusters | Nodes | 3 Financial | | | 4 Online | |
| --- | --- | --- | --- | --- | --- | --- |
| | | Coupons/discounts | Loyalty Program | Price | Ease of checkout | Shipping costs |
| 1 Alternatives | Amazon | 0.238487 | 0.000000 | 0.500000 | 0.660761 | 0.600000 |
| | Sephora | 0.136500 | 0.250000 | 0.250000 | 0.208127 | 0.200000 |
| | Ulta | 0.625013 | 0.750000 | 0.250000 | 0.131112 | 0.200000 |
| 2 Stores | Layout/appearance | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | No. of locations | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Prestige | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Salon/spa services | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| 3 Financial | Coupons/discounts | 0.000000 | 0.000000 | 1.000000 | 0.000000 | 0.000000 |
| | Loyalty Program | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Price | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| 4 Online | Ease of checkout | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Shipping costs | 0.000000 | 0.000000 | 1.000000 | 0.000000 | 0.000000 |
| | Site navigation | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| 5 Products | Authenticity | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Samples/promos | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Selection/brands | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |

| Clusters | Nodes | 4 Online Site navigation | Authenticity | 5 Products Samples/promos | Selection/brands |
|---|---|---|---|---|---|
| 1 Alternatives | Amazon | 0.139648 | 0.057243 | 0.054900 | 0.058474 |
| | Sephora | 0.527836 | 0.596932 | 0.655355 | 0.663058 |
| | Ulta | 0.332516 | 0.345825 | 0.289744 | 0.278467 |
| 2 Stores | Layout/appearance | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | No. of locations | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Prestige | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Salon/spa services | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| 3 Financial | Coupons/discounts | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Loyalty Program | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Price | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| 4 Online | Ease of checkout | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Shipping costs | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Site navigation | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| 5 Products | Authenticity | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Samples/promos | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Selection/brands | 0.000000 | 0.000000 | 0.000000 | 0.000000 |

*Cluster Matrix*

| Clusters | 1 Alternatives | 2 Stores | 3 Financial | 4 Online | 5 Products |
|---|---|---|---|---|---|
| 1 Alternatives | 0.000000 | 1.000000 | 0.104729 | 1.000000 | 1.000000 |
| 2 Stores | 0.114858 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| 3 Financial | 0.483152 | 0.000000 | 0.636986 | 0.000000 | 0.000000 |
| 4 Online | 0.076251 | 0.000000 | 0.258285 | 0.000000 | 0.000000 |
| 5 Products | 0.325739 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |

The cluster matrix shows that financial criteria (0.483) and products (0.326) have the most impact on the alternatives.

*Weighted Supermatrix*

| Clusters | Nodes | 1 Alternatives Amazon | Sephora | Ulta | 2 Stores Layout/appearance | No. of locations | Prestige | Salon/spa services |
|---|---|---|---|---|---|---|---|---|
| 1 Alternatives | Amazon | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.067026 | 0.000000 |
| | Sephora | 0.000000 | 0.000000 | 0.000000 | 0.800000 | 0.500000 | 0.661198 | 0.200000 |
| | Ulta | 0.000000 | 0.000000 | 0.000000 | 0.200000 | 0.500000 | 0.271776 | 0.800000 |
| 2 Stores | Layout/appearance | 0.000000 | 0.014911 | 0.007345 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | No. of locations | 0.000000 | 0.031779 | 0.065267 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Prestige | 0.114858 | 0.061662 | 0.026614 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Salon/spa services | 0.000000 | 0.006506 | 0.015631 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| 3 Financial | Coupons/discounts | 0.096630 | 0.050600 | 0.096539 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Loyalty Program | 0.000000 | 0.124791 | 0.056456 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Price | 0.386522 | 0.307761 | 0.330157 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| 4 Online | Ease of checkout | 0.010893 | 0.015870 | 0.023561 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Shipping costs | 0.043572 | 0.050384 | 0.044344 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Site navigation | 0.021786 | 0.009997 | 0.008346 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| 5 Products | Authenticity | 0.229625 | 0.251852 | 0.244644 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Samples/promos | 0.027409 | 0.028556 | 0.028388 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Selection/brands | 0.068705 | 0.045331 | 0.052707 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |

| Clusters | Nodes | 3 Financial | | | 4 Online | |
|---|---|---|---|---|---|---|
| | | Coupons/discounts | Loyalty Program | Price | Ease of checkout | Shipping costs |
| 1 Alternatives | Amazon | 0.238487 | 0.000000 | 0.052365 | 0.660761 | 0.600000 |
| | Sephora | 0.136500 | 0.250000 | 0.026182 | 0.208127 | 0.200000 |
| | Ulta | 0.625013 | 0.750000 | 0.026182 | 0.131112 | 0.200000 |
| 2 Stores | Layout/appearance | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | No. of locations | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Prestige | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Salon/spa services | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| 3 Financial | Coupons/discounts | 0.000000 | 0.000000 | 0.636986 | 0.000000 | 0.000000 |
| | Loyalty Program | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Price | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| 4 Online | Ease of checkout | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Shipping costs | 0.000000 | 0.000000 | 0.258285 | 0.000000 | 0.000000 |
| | Site navigation | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| 5 Products | Authenticity | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Samples/promos | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Selection/brands | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |

| Clusters | Nodes | 4 Online | 5 Products | | |
|---|---|---|---|---|---|
| | | Site navigation | Authenticity | Samples/promos | Selection/brands |
| 1 Alternatives | Amazon | 0.139648 | 0.057243 | 0.054900 | 0.058474 |
| | Sephora | 0.527836 | 0.596932 | 0.655355 | 0.663058 |
| | Ulta | 0.332516 | 0.345825 | 0.289744 | 0.278467 |
| 2 Stores | Layout/appearance | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | No. of locations | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Prestige | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Salon/spa services | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| 3 Financial | Coupons/discounts | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Loyalty Program | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Price | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| 4 Online | Ease of checkout | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Shipping costs | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Site navigation | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| 5 Products | Authenticity | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Samples/promos | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| | Selection/brands | 0.000000 | 0.000000 | 0.000000 | 0.000000 |

*Limit Supermatrix*

| Clusters | Nodes | 1 Alternatives | | | 2 Stores | | | |
|---|---|---|---|---|---|---|---|---|
| | | Amazon | Sephora | Ulta | Layout/appearance | No. of locations | Prestige | Salon/spa services |
| 1 Alternatives | Amazon | 0.088194 | 0.088194 | 0.088194 | 0.088194 | 0.088194 | 0.088194 | 0.088194 |
| | Sephora | 0.160432 | 0.160432 | 0.160432 | 0.160432 | 0.160432 | 0.160432 | 0.160432 |
| | Ulta | 0.186456 | 0.186456 | 0.186456 | 0.186456 | 0.186456 | 0.186456 | 0.186456 |
| 2 Stores | Layout/appearance | 0.003762 | 0.003762 | 0.003762 | 0.003762 | 0.003762 | 0.003762 | 0.003762 |
| | No. of locations | 0.017268 | 0.017268 | 0.017268 | 0.017268 | 0.017268 | 0.017268 | 0.017268 |
| | Prestige | 0.024985 | 0.024985 | 0.024985 | 0.024985 | 0.024985 | 0.024985 | 0.024985 |
| | Salon/spa services | 0.003958 | 0.003958 | 0.003958 | 0.003958 | 0.003958 | 0.003958 | 0.003958 |
| 3 Financial | Coupons/discounts | 0.127018 | 0.127018 | 0.127018 | 0.127018 | 0.127018 | 0.127018 | 0.127018 |
| | Loyalty Program | 0.030547 | 0.030547 | 0.030547 | 0.030547 | 0.030547 | 0.030547 | 0.030547 |
| | Price | 0.145024 | 0.145024 | 0.145024 | 0.145024 | 0.145024 | 0.145024 | 0.145024 |
| 4 Online | Ease of checkout | 0.007900 | 0.007900 | 0.007900 | 0.007900 | 0.007900 | 0.007900 | 0.007900 |
| | Shipping costs | 0.057652 | 0.057652 | 0.057652 | 0.057652 | 0.057652 | 0.057652 | 0.057652 |
| | Site navigation | 0.005081 | 0.005081 | 0.005081 | 0.005081 | 0.005081 | 0.005081 | 0.005081 |
| 5 Products | Authenticity | 0.106272 | 0.106272 | 0.106272 | 0.106272 | 0.106272 | 0.106272 | 0.106272 |
| | Samples/promos | 0.012292 | 0.012292 | 0.012292 | 0.012292 | 0.012292 | 0.012292 | 0.012292 |
| | Selection/brands | 0.023159 | 0.023159 | 0.023159 | 0.023159 | 0.023159 | 0.023159 | 0.023159 |

| Clusters | Nodes | 3 Financial | | | 4 Online | |
|---|---|---|---|---|---|---|
| | | Coupons/discounts | Loyalty Program | Price | Ease of checkout | Shipping costs |
| 1 Alternatives | Amazon | 0.088194 | 0.088194 | 0.088194 | 0.088194 | 0.088194 |
| | Sephora | 0.160432 | 0.160432 | 0.160432 | 0.160432 | 0.160432 |
| | Ulta | 0.186456 | 0.186456 | 0.186456 | 0.186456 | 0.186456 |
| 2 Stores | Layout/appearance | 0.003762 | 0.003762 | 0.003762 | 0.003762 | 0.003762 |
| | No. of locations | 0.017268 | 0.017268 | 0.017268 | 0.017268 | 0.017268 |
| | Prestige | 0.024985 | 0.024985 | 0.024985 | 0.024985 | 0.024985 |
| | Salon/spa services | 0.003958 | 0.003958 | 0.003958 | 0.003958 | 0.003958 |
| 3 Financial | Coupons/discounts | 0.127018 | 0.127018 | 0.127018 | 0.127018 | 0.127018 |
| | Loyalty Program | 0.030547 | 0.030547 | 0.030547 | 0.030547 | 0.030547 |
| | Price | 0.145024 | 0.145024 | 0.145024 | 0.145024 | 0.145024 |
| 4 Online | Ease of checkout | 0.007900 | 0.007900 | 0.007900 | 0.007900 | 0.007900 |
| | Shipping costs | 0.057652 | 0.057652 | 0.057652 | 0.057652 | 0.057652 |
| | Site navigation | 0.005081 | 0.005081 | 0.005081 | 0.005081 | 0.005081 |
| 5 Products | Authenticity | 0.106272 | 0.106272 | 0.106272 | 0.106272 | 0.106272 |
| | Samples/promos | 0.012292 | 0.012292 | 0.012292 | 0.012292 | 0.012292 |
| | Selection/brands | 0.023159 | 0.023159 | 0.023159 | 0.023159 | 0.023159 |

| Clusters | Nodes | 4 Online | 5 Products | | |
|---|---|---|---|---|---|
| | | Site navigation | Authenticity | Samples/promos | Selection/brands |
| 1 Alternatives | Amazon | 0.088194 | 0.088194 | 0.088194 | 0.088194 |
| | Sephora | 0.160432 | 0.160432 | 0.160432 | 0.160432 |
| | Ulta | 0.186456 | 0.186456 | 0.186456 | 0.186456 |
| 2 Stores | Layout/appearance | 0.003762 | 0.003762 | 0.003762 | 0.003762 |
| | No. of locations | 0.017268 | 0.017268 | 0.017268 | 0.017268 |
| | Prestige | 0.024985 | 0.024985 | 0.024985 | 0.024985 |
| | Salon/spa services | 0.003958 | 0.003958 | 0.003958 | 0.003958 |
| 3 Financial | Coupons/discounts | 0.127018 | 0.127018 | 0.127018 | 0.127018 |
| | Loyalty Program | 0.030547 | 0.030547 | 0.030547 | 0.030547 |
| | Price | 0.145024 | 0.145024 | 0.145024 | 0.145024 |
| 4 Online | Ease of checkout | 0.007900 | 0.007900 | 0.007900 | 0.007900 |
| | Shipping costs | 0.057652 | 0.057652 | 0.057652 | 0.057652 |
| | Site navigation | 0.005081 | 0.005081 | 0.005081 | 0.005081 |
| 5 Products | Authenticity | 0.106272 | 0.106272 | 0.106272 | 0.106272 |
| | Samples/promos | 0.012292 | 0.012292 | 0.012292 | 0.012292 |
| | Selection/brands | 0.023159 | 0.023159 | 0.023159 | 0.023159 |

*Synthesized Results*

| Name | Graphic | Ideals | Normals | Raw |
|---|---|---|---|---|
| Amazon | | 0.473000 | 0.202706 | 0.088194 |
| Sephora | | 0.860426 | 0.368739 | 0.160432 |
| Ulta | | 1.000000 | 0.428554 | 0.186457 |

*Compatibility Index*

| RESULTS | |
|---|---|
| Number of Alternatives | 3 |
| Sum of Matrix | 18.6555904 |
| Compatibility Index | 2.07284337 |

## ANALYSIS

### Results and Reflection

My compatibility index of 2.07 shows that my market share estimation final synthesis results do not accurately reflect the actual computation of relative market share.

In retrospect, comparing cosmetic retailers in the U.S. was perhaps too broad of a topic. It may have been a mistake to try to compare Sephora and Ulta (brick and mortar plus online) to Amazon (online only); to make it more consistent I could have only compared them as online retailers. Furthermore, the industry is much more complicated than I anticipated. What I considered cosmetics could further be decomposed into makeup (even specific types), skincare, fragrance, etc., and I should have narrowed down my focus. Finally, I think I could have added more nodes to my model, such as customer service and knowledgeable salespeople, which I originally had listed in my criteria but they somehow got lost when I compiled my model.

## REFERENCES

[1] https://www.bloomberg.com/research/stocks/private/snapshot.asp?privcapId=35929
[2] https://www.bloomberg.com/research/stocks/private/snapshot.asp?privcapId=34217
[3] https://www.bloomberg.com/research/stocks/private/snapshot.asp?privcapId=18749