

Medallia

SEPHORA

How a visionary retailer continually improves already-high loyalty

About Sephora

Sephora, the visionary cosmetics retailer, has long distinguished itself through its innovation and focus on the customer experience. The company consistently demonstrates its customer commitment with playful, low-pressure sales environments, customized beauty solutions, and high-touch services, such as free makeovers and in-store consultations. Propelled by its dual focus on the customer and innovation, Sephora decided to implement a customer feedback program that would make its renowned customer experience even better.

Sephora tracks customer loyalty through an internal measure called the Client Loyalty Index (CLI). The company aimed to improve CLI by implementing a robust customer feedback program that would improve management's line of sight to the store-level customer, identify areas of improvement, and facilitate better training of employees. Sephora needed a nimble solution that not only helped unearth new product and retailing opportunities, but also helped track the success of innovations.

SEPHORA AT A GLANCE

- 300+ stores in North America
- 1700+ stores globally in 17 countries
- \$4B in annual revenue
- 800,000+ surveys collected per year



In launching its customer experience management program, Sephora adopted the same deliberative, fact-based approach that it takes for its brand in general. It consulted customer experience leaders and ran an exhaustive RFP process to identify a best-in-class vendor. Sephora chose Medallia for two reasons: its uniquely engaging and powerful software, and its understanding of the retail industry. Starting from a zero baseline, Sephora implemented a closed-loop feedback program for all North American locations

Sephora's investment in improving the customer experience has paid off. Since rolling out Medallia, nearly every key customer experience metric improved, including the client loyalty index, likelihood to recommend, satisfaction with agent, checkout experience and more. Response rates increased and in-store customer communications improved thanks to immediate dialogue between customers and managers.

"Medallia has become a part of the culture at Sephora USA. Every member of our staff uses the Medallia system, which is integral to our continued success."

Kahla Broussard
VP of Retail, Sephora

Additionally Sephora uses Medallia as part of its innovation testing processes. The Sephora team continually dreams up innovative services to better serve and delight its customers, and then tests their effectiveness with customer feedback. Recently tested and launched innovation include Color IQ and Skincare IQ, in-store services that help customers find just the right product for their skin type and regimen. Today, Medallia is as ingrained in Sephora's culture as the company's mission to create memorable and enjoyable customer experiences.

Medallia

CHALLENGE

- Management needed line of sight into store-level customer experiences to identify areas of improvement
- Without easy-to-use system, employees felt disengaged from customer feedback
- Did not have a feedback system in place to test products and initiatives with customer base

SOLUTION

- Easy-to-use interface and role-based dashboards increases employee engagement and customer-centricity
- Real-time analytics enables Sephora to quickly test and launch initiatives and product

RESULTS

- ✓ Average user logs in 2–3 times more often than before
- ✓ Nearly every customer experience metric is continually increasing since launch in 2008
- ✓ Client Loyalty Index up 6% to industry-high levels
- ✓ Real-time customer feedback enables company to quickly test innovations



About Medallia

Medallia, the leader in Experience Management cloud technology, ranked #15 in the most recent Forbes Cloud 100 list. Medallia's vision is simple: to create a world where companies are loved by customers and employees alike. Hundreds of the world's largest companies and organizations trust Medallia's cloud platform to help them capture customer and employee feedback everywhere they are, understand it in real-time, and deliver insights and action everywhere—from the C-suite to the frontline—to improve business performance. Medallia has offices worldwide, including Silicon Valley, New York, Washington DC, Austin, London, Buenos Aires, Paris, Sydney, and Tel Aviv. Learn more at www.medallia.com.

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