

# Analysis and Research on B2C of Skinstore

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**Keywords:** Skinstore, SWOT analysis, Web site operators, B2C, Improvement strategies.

**Abstract.** Skinstore is one of the world's leading cosmetics e-commerce shopping sites, is an American site, from its founding development for nearly 20 years. As a cosmetic website, the main customer groups faced young beauty of women, of course, including some groups of men and groups of pregnant women, in today's Internet era has developed also have the opportunity to compete. Based on the site of the United States and abroad caused by background analysis and the overall operation of the site analyzed using SWOT analysis, and analyze the advantages and disadvantages of the existing site for the development caused by the US measures proposed to improve the site, to understand the development of the site now the basic situation and put forward their views on these issues.

## Introduction

Skinstore in 1997 by the American Salu Beauty cosmetics company founded a website, in 2010 settled in China. Skinstore (China) in cooperation with the company where the beauty of Hangzhou Co., Ltd., has just launched the project. General manager of the opera company, Skinstore (China) adopted a distributor and reseller sales model two sources. China now has the right distributor Japan and South Korea more than 30 brands, and their co-cosmetics website is more than 300 brands. Skinstore(China) has experienced several years of development, has matured.

## Domestic and Foreign-related Cases

At home, cosmetics e-commerce website development is good music Bee Network and the United States together superior products, which operated two websites selling cosmetics brand basically more popular, familiar, the United States caused the US e-commerce website, limited visibility in the country, the agent more than 20 well-known foreign brands of cosmetics, for mainland customers unheard of for many foreign brands, causing the US needs most is the status of top cosmetics brand site. Brand is caused by the US disadvantage, because the domestic public on these brands rarely heard; but at the same time it is an advantage because domestic females have competition, worships money and psychological, caused the US just to meet this, and so caused the US at home or have development prospects

Skinstore as a US Salu Beauty's wholly owned subsidiary, develop quite rapidly maturing abroad, except in China, business sales, currently in the UK, South Korea, Australia and other countries and regions have set up agency business sales of beauty products. Caused by the US in 2006 has been named one of the fastest growing magazine Inc. Magazine annual corporate America, enjoyed a high reputation in the international arena. Therefore, the development in foreign countries to the US network has become more mature.

## SWOT Analysis

We use the SWOT to analyze problems including Skinstore's situation, the strength, the weakness, opportunity and threat.

### STRENGTH(S)

1) Brand to the US net sales more than 200 brands over 5000 well-known products, including perfume, hair care products, makeup and men's series supplies.

2) Has a strong biotechnology research and development efforts and resources, and biological research, biotechnology, cosmetic applications are high barriers to entry, high profit margins, growing faster than the industry. High barriers to entry which is mainly reflected in the "high-tech, high investment, long cycle" aspects. Research are knowledge-intensive, high-tech, highly integrated and requires multidisciplinary mutual penetration, high-value patented technology often requires 3-5 years or even longer periods and the corresponding investment in R & D expenses.

3) Hand in a number of strategic partners, with a strong industrial chain integration capabilities. US strategic partnership caused mainly divided into two categories: one is the big sales leader, for causing the US to bring integrated upstream supply of natural advantage. Another one is Biozone laboratory medicine such Wuxi Ladbroskes biopharmaceutical research and development company, is caused by the US to carry out biological research, cosmetic application of biotechnology to bring strong technical support.

4) Caused by the formation of a US strengths, forge ahead, cohesive business team. Mr. Wang Lixin, general manager, graduated from Tongji Medical College, a master's degree in medicine, subsequently, postgraduate Master of Business Administration from the American University, with many years of marketing and management consulting experience. He cohesion in the team large number of highly innovative business ideas and rich experience of talents, all employees bachelor degree or above, with this unity and cooperation, complementary advantages and progressive team, is caused by the US towards the cornerstone of success

### **WEAKNESS(W)**

1) Limited visibility in the country, the public for the unheard of many foreign brands have discouraged psychological.

2) Return Process complex return when the need to print out details of a single return, and will be packaged together with a list of invoices, indispensable, compared to most of the domestic sites Return Process complicated many, may cause the loss of part of the source.

3) On the delivery speed, less than jingdong, and postage users provide for oneself, has a great disadvantage.

4) The after-sales service is not so good, they are accused of, irrelevantly answer, and so on, this problem remains to be improved.

5) Has been accused of artificially high price, the original price is not so expensive, raise discount sold, discounted price and the price is about same to that of other web sites.

### **OPPORTUNITY(O)**

1) We live more affluent, increased requirements for material life, the pursuit of high-quality high enjoyment of life, in this context, causing the US have a higher competitiveness.

2) In the rapid development of modern e-commerce, there have been an increasing number of counterfeit products, the public will want to be able to buy both affordable and there are genuine products, caused the US abroad very brand awareness, the future will increasingly be public knowledge.

3) Low price discount attracts the masses of users, at the same time limit set limit to snap up, let users have oppressive feeling, stimulate the desire to buy.

### **THREAT(T)**

1) Now do a class of purchasing more and more businesses, people might choose this type of product, because inexpensive, may actually reduce the public's confidence in the US caused by brand.

2) Appear more and more similar sites is a major threat

3) Domestic government pressure on foreign corporate website, as well as the threat of domestic policy.

## Conclusion of SWOT Analysis

In conclusion it can be seen that the main advantages of Skinstore in terms of suppliers, but logistics really needs to improve, otherwise it is easy to other electric business enterprise beyond, loss of strength. If you can spin selling cycle at the same time, do a good job in publicity, stable operation mode and development train of thought, Skinstore have several times in the future growth of space, make greater chance of success is bigger also.

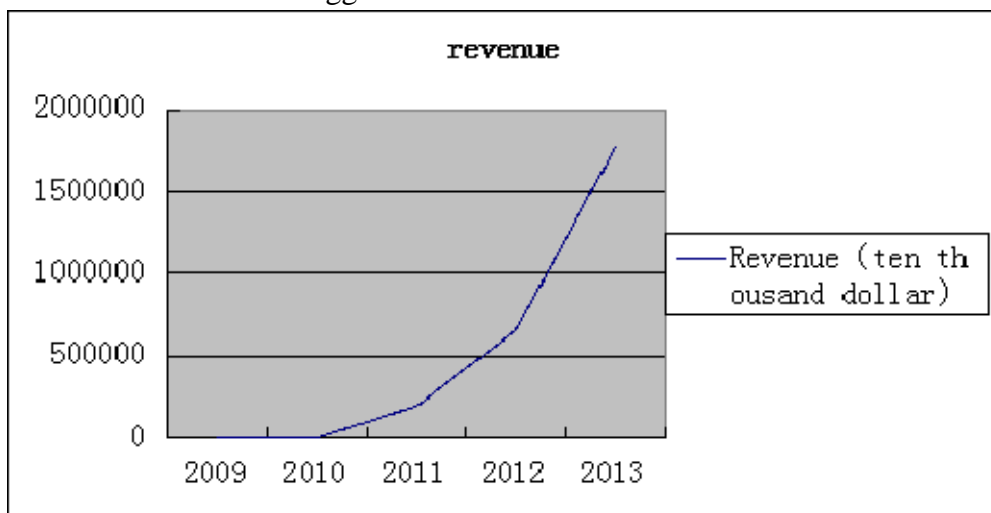


Figure 1. Revenue

## Improvement Strategies

Skinstore experienced the early days after the loss, after a series of research quickly made a correct assessment, improve marketing strategies to rise year after year, an increase of more well-known brands, it is now a need to strengthen that, whether in efforts to increase the number of discount under the premise of quality assurance. US luxury sale caused most are not really new brand, its price and Taobao purchasing a luxury all similar, and possibly higher purchasing price, and therefore the loss of certain customers. But if it is able to get some discount luxury brand, then it is another matter. But this is obviously a very difficult task, not to mention the chance of discount luxury new small, small, luxury goods companies are reluctant to directly licensed to third-party network companies.

## Quality of Goods

Caused by the US Commodity Quality Assurance above most is no room for complacency, itself caused US sales of high-end products, are global renowned brands, and cosmetics, and our health is closely related to the basis of the high price on it will be to ensure that sales of must be genuine. And return need to pay a restocking fee, it is unreasonable. Therefore, in order not to loss of existing customers, caused by the US on the product quality is to be heavy guard, while strengthening the service is necessary.

## Services

There has been some customer complaints caused by the US aftermarket, said although the cause of the US commitment to give refunds inspection, but does not support a replacement after receiving the goods and services change bad review can only choose to return, very humane, sale customer service attitude is perfunctory, it is inevitable to make people feel Diandaqiike posture. Therefore, the need to improve the future of the US caused a major focus is on service.

"Product is king, winning the channels, and the service consumer is the key to whether the second purchase." Yen said Joe, the most abundant product to attract the maximum amount of customers, open access will bring more sales opportunities; however in e-commerce era, these are just the basis for a sufficient investment, people can get the same advantage. Therefore, the service become

increasingly important. "Whether it is caused by the US, or the source of Hangzhou, the focus on product, channel, mode at the same time, also need to focus on competing services. This includes not only pre-sale, sale, sale of services, including spike, promotional and other campaign ..... so, e-commerce development today, more tricky than physical sales. "

### The Brand

SkinstoreCaused by the US's main partners are in the high-end luxury products, although able to attract a lot of rich people, but for China, after all, ordinary people are the majority, so causing the US on select customer groups that should be widespread, Faced with the public, to choose some low-end brands to cooperate for the public sale of the product, so it should be able to get more revenue.

### Logistical Problems

Followed by logistical problems, Skinstore is currently in the manager's expansion of storage area, but does not consider the self-built logistics, the main reason lies in the construction of a national distribution network cost is too big, but a company management to the later period, self-built logistics is a must, in the control of logistics trends at the same time also can ensure the logistics speed. the offline logistics service is not very good, due to the imperfect of the self-built logistics distribution team, partners who are third party logistics service level and time did not lead to customer satisfaction is not high, so the logistics is going to be improved either.

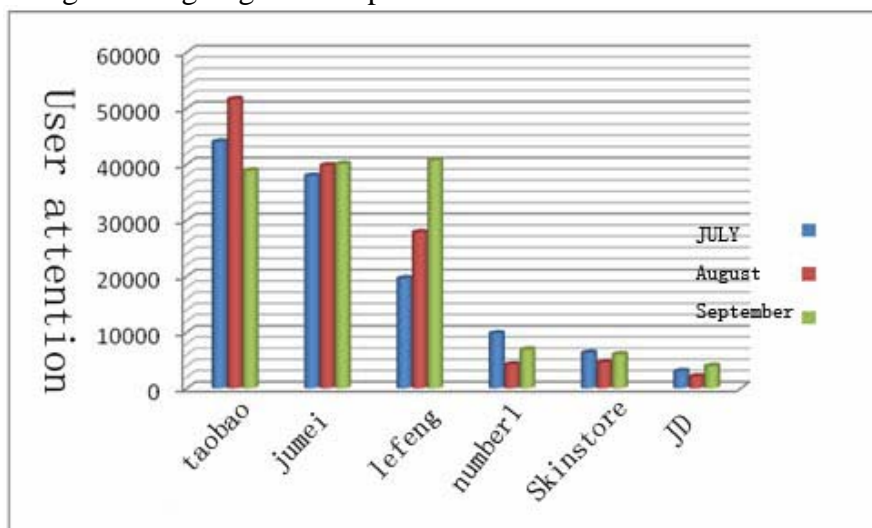


Figure 2. User attention

### Summary

Cause not just a US online sales platform, but also has a strong biotechnology research and development efforts and resources, and biological research, biotechnology, cosmetic applications are high barriers to entry, high profit margins, growing faster than the industry. High barriers to entry which is mainly reflected in the "high-tech, high investment, long cycle" aspects. Research are knowledge-intensive, high-tech, highly integrated and requires multidisciplinary mutual penetration, high-value patented technology often requires 3-5 years or even longer periods and the corresponding investment in research and development costs.

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Through this web site analysis and then to the US from the product to the overall operations of the logistics for the US current business conditions caused a series of improved analysis. In conclusion, the development caused by the US in the international community is still far from over and the country's development, but also need to take certain specific measures to increase domestic consumer groups, to attract more domestic customer focus, in improving their weak foundation on strengthening the advantages of web development, I believe in the US caused by the prospect of China's still relatively optimistic.

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