

*the possibilities are beautiful.*

# Ulta Beauty

## Supply Chain & Considerations



Abigail Castillo, Rileigh Glassburn, Tatiana  
Hochstetler, Avery Petrie, Jaelynn Pierce

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# About Ulta

- Founded in 1990 by Richard George
- Major U.S. beauty retailer
- Sells cosmetics, haircare, skincare, and fragrances
- Offers in-store salon services
- Operates both e-commerce and brick-and-mortar stores



## Business Model

- Features high-end and drugstore name-brands
- “One-stop-shop” differentiates the store from other beauty retailers.

## Current Supply Chain

- Nationwide distribution network
- Serves both stores and online customers
- 4 regional distribution centers: Dallas, Fresno, Greenwood, Chambersburg
- Dedicated e-commerce fulfillment center in Jacksonville, FL



# Ongoing Supply Chain Transformation

Ulta Beauty is currently undergoing a supply chain transformation, focusing on three main points to reduce complexity and increase efficiency.



## Automation

- Expanding automation in existing facilities
- Increasing operational efficiency
- New Northwest distribution center planned
- Goal: boost capacity and fulfillment speed

## Project SOAR

- System-wide upgrade initiative
- Stands for: Strength, Optimize, Accelerate, Renew
- Improves cross-functional coordination
- Enhances overall business operations

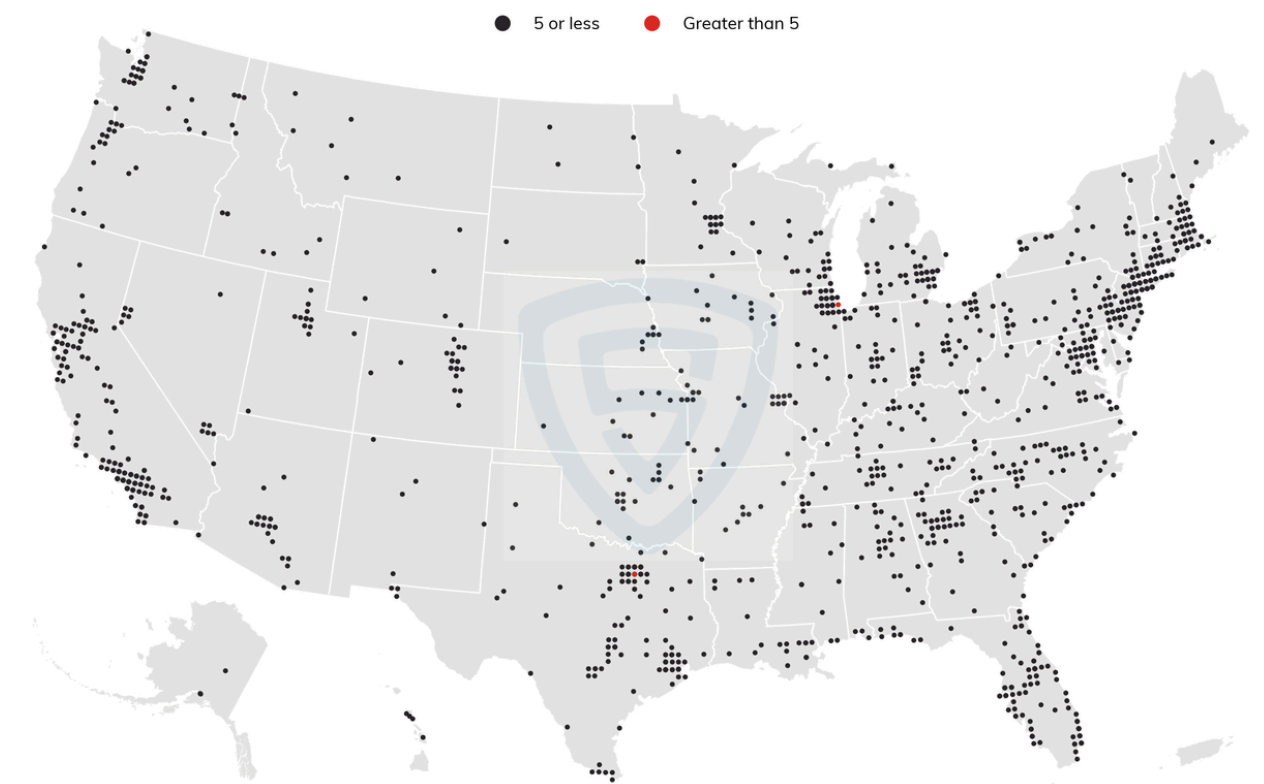
## Cross-Docking

- Minimizes storage time
- Direct transfer: inbound → outbound shipments
- Speeds up product flow
- Improves distribution efficiency to stores and fulfillment centers

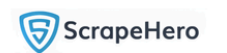
# Location & Layout Strategy

Ulta currently operates **1,350+ stores** across the U.S., commonly in suburban shopping centers and inside Target locations.

- Strong presence in **high-population states** like California, Florida, and New York (ScrapeHero)
- Stores feature **bright, open layouts** designed for **easy navigation**
  - Shift toward category-based organization (e.g., makeup, skincare) to improve shopping experiences
- **Expanding internationally** into Mexico and the Middle East, with existing locations in the UK and Ireland
- Strategy **strengthens** accessibility, convenience, and brand visibility



Ulta Beauty store locations in the USA  
Each grid point covers 10-mile radius with at least one location  
Source: ScrapeHero.com



# Location & Layout Strategy

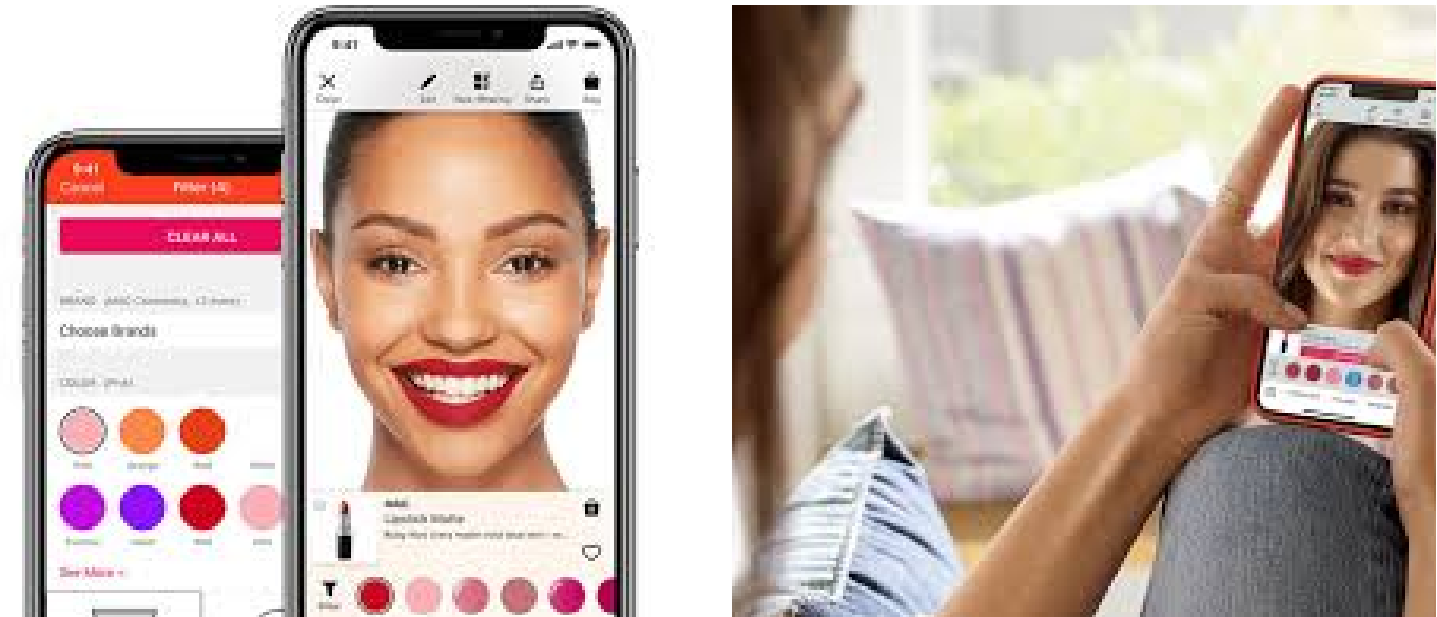
Why this works:

- Strategic locations maximize customer reach
- Organized layouts improve shopping efficiency
- International expansion supports long-term growth
- Creates a strong, recognizable brand presence



# Emerging Technology

- AI & Machine Learning
  - Used to personalize customer experiences, strengthen the supply chain, and enhance digital shopping tools
- GLAMlab
  - A virtual try-on tool that lets customers preview how makeup products look on them before purchasing



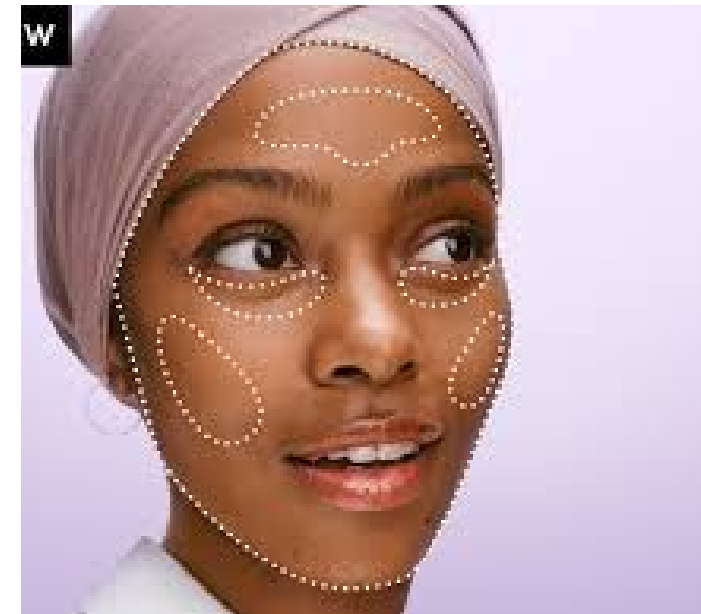
**GLAM** *lab*

\ A virtual beauty try-on experience \

**Download Now**

# Emerging Technology

- AI-Powered Skin Analysis
  - Provides personalized product recommendations to help customers find products that match their preferences
- Quazi AI Platform
  - Analyzes customer interactions across marketing, social media, and sales channels to recommend products, personalize offers, and tailor search results



# Emerging Technology

- **Why it Matters**

- Increases Customer Loyalty and Retention
- Reduces the Risk of Unsatisfying Purchases
- Strengthens Ulta's Competitive Position in the Beauty Industry
- Supports Long-Term Business Growth and Innovation



# Competitors - Key Supply Chain Factors



- Omnichannel Fulfillment
- AI & Data-Driven Demand Planning
- Agile Distribution Networks
- Exclusive Vendor Relationships (Kohl's)
- Continuous Optimization



- Omnichannel Fulfillment & Micro-Distribution
- "Fuel for Growth" Initiative
- Private Label & Proprietary Brand Strategy
- Inventory & Demand Planning Upgrades
- Dual Channel Structure (B2B & B2C)



- Hyper-Automated Fulfillment Centers
- Strategic Warehouse Network
- Predictive Demand Forecasting
- Owned Transportation Logistics
- Technology-Driven Optimization



- Visibility, Flexibility and Predictability
- Automation & Technology
- Unified Inventory Model
- Omnichannel Fulfillment
- Vendor & Lead Time Management

# Supply Chain Issues the Company is facing

- New York Times Article discusses the different methods of discarding of products between different companies.
  - Ulta has a bad reputation with destroying their products before discarding them (sanitary reasons)
    - Prevents items from being salvaged
- Distribution network gaps
  - Company has issues regarding network capacity and the speed at which they were able to fulfill orders particularly e-commerce
- Selective merchandising
  - One-stop shop doesn't allow enough space to sell every product from every brand
  - Curation of products, high potential products



# Suggestions to Resolve Supply Chain Issues

## Discarding Products



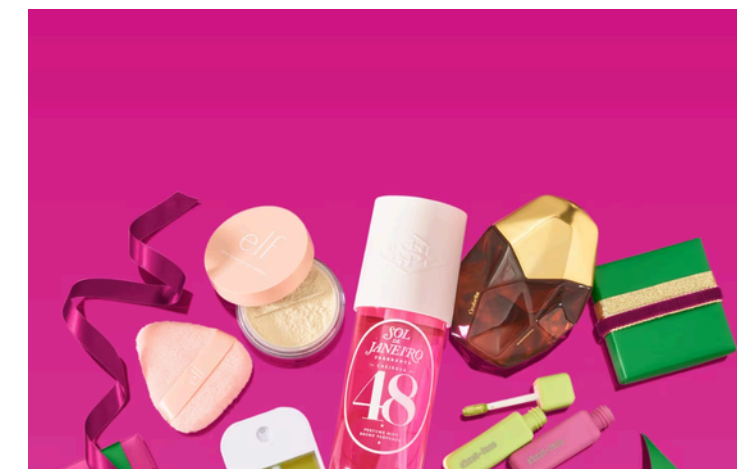
Alternative methods for expired products  
FEFO Inventory Method

## Distribution Network Gaps



Continuing to expand their ship-from store locations in addition to their distribution center

## Selective Merchandising



AI-trend monitoring and supplier collaboration

# Resources

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**Thank You**  
*So Much!*

Any Questions?

