

FRAGRANCE AND PERSONAL CARE

Shiseido breaks down data silos for clear picture of customers

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Shiseido's Rouge Rouge lipstick collection

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Japanese beauty group Shiseido determined the importance of unified customer data after it was able to unearth the potential of data from its digital marketing platform.

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The beauty manufacturer had inadvertently created a series of silos within its customer data that led to a disjointed view of the audience and left sales that could be obtained through personalized marketing on the table. Shiseido partnered with data platform Treasure Data to come up with a solution that built an ID for each individual customer and gained insights based on four criteria.

"At the core of effective marketing is understanding each customer's evolving preferences," says Kenji Yoshimoto, the lead analyst on the direct marketing team at Shiseido. "By analyzing the historical data of each customer and correlating the analysis with the current behavior, we can accurately assess each customer's preference."

Breaking down silos

Shiseido and Treasure Data worked together to create a centralized feed of consumer data that gave the brand a clear picture of who each consumer was.



Shiseido's marketing image

Data was categorized into four areas, prompted by questions. Each data point was categorized by questions, "Who is the customer," "How much does the customer like our brand," "What path does the customer take to buy our products" and "What is the customer interested in."



Shiseido Rogue Kiss Me Lips campaign

Shiseido was then able to base to tap this data to market personalized targeting through its own platforms, its marketing automation system, named Watashi Plus and a campaign on the LINE messaging application.

Beauty brand marketing

Shiseido also recently saw growth in categories such as prestige and travel retail, making up for unforeseen challenges in 2016.

Shiseido's 850 billion yen in net sales, around \$7.5 billion at current exchange, was up 5.2 percent from 2015 when measured in local currency. After adjusting its forecast in the first half of 2016, cost-cutting tactics and efficiency measures helped the company come out ahead of its fiscal year predictions in November

Factors such as the currency exchange rates and the investment in these new brands kept Shiseido's operating income below its target 38 billion yen, coming in at 36.8 billion ([see more](#)).

The beauty group's American affiliate has acquired startup MatchCo in an effort to further customize its offerings to consumers.

California-based MatchCo developed a mobile app that scans a user's face and wrists, using the data collected to blend a foundation shade specifically for their skin tone. With this addition, Shiseido plans to leverage MatchCo's technology to personalize cosmetics throughout its umbrella of brands ([see more](#)).

"The new customer data platform built on Treasure Data is fundamentally changing how we communicate with our customers," Mr. Yoshimoto said. "Previously, our customer communication was based on assumptions about customer behavior and designed for our convenience, not customers' needs.

"Blasting emails to everyone who tried samples or bought a particular product won't lead to customer delight," he said. "Detecting a mood swing in each customer and changing the tone of push notifications does.

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