

FRAGRANCE AND PERSONAL CARE

## Shiseido gets into beauty subscription game with IoT skincare

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*Optune is a subscription-based brand. Image courtesy of Shiseido*

By SARAH JONES

Japanese beauty group Shiseido is using technology to deliver tailored skincare to consumers through a brand that is solely available via subscription.

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Dubbed Optune, the brand's skincare system is powered by a mobile application, which analyzes a consumer's skin and the conditions in his or her area to blend customized products. Playing into the growing subscription beauty business, Optune will be sold on a monthly basis.

"It's no longer a one-size-fits-all game in beauty," said Kristy Engels, senior vice president of marketing and brand strategy at **Beauty Strategy Group**. "As consumers assert their individuality, they demand products that work for their unique needs.

"App and digital based technologies will continue to help define consumer needs so that brands can service them, as long as the economics make sense," she said.

Ms. Engels is not affiliated with Shiseido, but agreed to comment as an industry expert. **Shiseido** was reached for comment.

### Data-driven skincare

Optune is aimed at time-poor consumers, seeking to give them targeted skincare that they do not have to think about. The brand was originally tested in 2018 with a limited number of consumers, and it is now being made available to a wider population.

Leveraging the Internet of Things, Optune blends together external factors such as the weather in the consumer's area as well as personal conditions such as sleep quality to create a formula specifically for the user.

"The opportunity for IoT in the beauty industry is huge," said Niall Murphy, CEO/cofounder of **EVERYTHING**.

"Consumer product brands want to engage with consumers in more innovative and direct ways.

"Mass scale product digitization is allowing brands to take full advantage of the IoT including the delivery of direct-

to-consumer experiences like those recently introduced by Shiseido," he said. "IoT platforms...swing the door wide open for the beauty industry, amplifying the opportunity for brands to also benefit from real-time data intelligence and full product lifecycle traceability, while turning individual products into owned-media channels to deliver direct-to-consumer contextualized experiences."

Consumers can take a photo of their face, which Optune will analyze for factors such as moisture, pores, texture and oil. They can also opt to monitor their sleep through a motion detector that tells how disrupted or sound their rest was.

In addition to skin condition and sleep, consumers can share data such as their menstrual cycle and mood.

Individual data is also combined with factors the consumer will encounter, including temperature, humidity and weather, resulting in a customized skincare product.

#### *Shiseido's Optune takes consumer's daily needs into account*

When they sign up for Optune, consumers are sent a machine and five cartridges or Optune shots of product based on their skin type. The app talks to the machine, telling it how to blend a two-step skincare routine based on 80,000 different patterns.

"Personalization and customization are in demand by consumers," Ms. Engels said. "Being able to have a custom formulation on hand made especially for your needs based on an analysis is the embodiment of this trend."

Optune costs 10,000 yen per month, or about \$93. This is Shiseido's first subscription model, testing the waters in a growing format for beauty buys.

"Subscription services are a great way to learn more about your customer, developing a deeper relationship with them while having a recurring revenue stream," Ms. Engels said.

#### Personalized approach

Luxury goods are traditionally positioned as exclusive items only obtainable for a select demographic, but subscription services have disrupted the traditional formula of how high-end products are experienced.

The beauty industry has seen success in subscription services that offer trial-sized products for a set monthly price, through the likes of Birchbox and LVMH-owned Sephora's version, Play! by Sephora, which all promise to expose consumers to new brands and items that may have previously been unfamiliar ([see story](#)).

Optune is separated from the typical beauty subscription model, more closely resembling timed subscription reorders of specific products rather than trials.

Shiseido's move also plays into the growing push towards tech-driven customization in beauty.

Beauty retail and marketing are undergoing a technology revolution, and exhibitors at the Consumer Electronics Show earlier this year showcased their vision for the future of cosmetic engagement.

From augmented reality to artificial intelligence, beauty brands are finding ways to personalize the experience for shoppers and guide them through to a purchase, whether in-store or online. At CES, companies including SK-II, Coty and Perfect Corp. rolled out innovations designed to make choosing skincare, makeup and hair color easier through trials and individualized analysis ([see story](#)).

"We work with consumer product brands across industries and they are all faced with the same challenge: how to meet the divergent needs of Gen Z and Gen X consumers," Mr. Murphy said. "This is particularly evident in the beauty industry."

"Gen Z consumers are making values-based purchasing decisions, demanding transparency from brands," he said. "Gen X consumers are demanding ever more convenience."

"Brands that can deliver both transparency and personalized consumer experiences are going to rise to the top. The good news is that the digital switch-on of the world's consumer products provides a scalable path to resolve these divergent needs."