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Shiseido | Case Study

Elevating the consumer experiences through strategic data investments

SHISEIDO

Shiseido, a beauty giant focused on creating innovative products, invested in Reltio Connected Data Platform to deliver a consistent omnichannel experience, increase brand loyalty, and drive revenues.

Year founded
1872 in Ginza, Tokyo

Headquarters
Tokyo, Japan

Operates in 120
countries and regions

5th largest
beauty company in the world

Over $7 billion
in net sales (2022)

Approximately 39,000
employees

Meet Shiseido

The family business that began as Japan's first private Western-style pharmacy transformed into a global beauty giant currently operating in about 120 countries and regions around the world. Shiseido's history is characterized by innovations that have set new standards and whose effects have rippled across the entire beauty industry.

Based in Japan, the company transcends borders and boundaries to venture beyond cosmetics to realize beauty innovations through the creation of unique products, delivering new value, and actively contributing to the happiness of its customers across the globe.

Shiseido has been on a digital transformation journey and invested in data to deliver an innovative and elevated consumer experience with the Reltio Connected Data Platform at the core. When trusted data became available when and where it was needed, the transition to becoming a customer-centric company became a reality. The beauty conglomerate continues to grow because it prioritizes a cohesive, effective omnichannel experience for its customers which drives brand loyalty and increased revenue.

The beauty market—encompassing fragrance, haircare, makeup, and skincare—drove over $430B in revenue in 2022 and continues to expand despite economic challenges. Shiseido recognizes that the industry remains competitive, and brands must stay ahead of the trends to increase market share.

Starting in 2016, to continue its quest to become the world's most trusted beauty company, Shiseido decided to take a methodical approach to digitally transform its business to better serve customers through the power of trusted, interoperable data.

Challenges

Shiseido had primarily been a product-centric company, and its overarching goal was to shift to a more customer-centric orientation. When Shiseido embarked on this digital transformation journey, the primary goal was to unlock the value of its data to grow and retain its customers by providing more personalized and relevant omnichannel experiences. In addition, Shiseido wanted to use comprehensive, trusted customer data and relationships to uncover more cross-sell and upsell opportunities.

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Before adopting the Reltio Connected Data Platform, Shiseido did not have a customer data practice. Email service providers were supporting its websites, with customer data fragmented across different sources. Shiseido recognized that unifying, cleansing, and harmonizing its data across systems would be needed to increase customer engagement and streamline customer interactions.

Why Reltio

Shiseido wanted a solution that would enable data uniformity, accuracy, stewardship, and accountability of its enterprise customer data assets. This would equip the business with trusted and actionable insights that would drive innovation, growth, and success by fostering direct conversations with its consumers.

Shiseido's evaluation of a data unification and management solution was based on the following criteria, which Reltio met:

- Ability to unify customer data across source systems
- Provide real-time identity resolution
- Progressively enrich customer profiles
- Seamlessly integrate with front office systems to power personalized and targeted customer experiences
- Manage data privacy and consent to maintain compliance with local and regional laws
- Support the organization's data access guidelines, brands, regions, and partners
- Enable collaboration across IT, sales, marketing, and compliance teams, leveraging the single pool of customer data

Solution

By establishing a core marketing technology platform grounded in the Reltio Connected Data Platform, Salesforce Marketing Cloud, and its own analytics platform which runs on Redshift and AWS, Shiseido has been able to effectively onboard a majority of its brands and markets into Reltio. This has enabled the company to engage with its loyal consumers in a truly personalized way by leveraging a 360-degree view of its customers and prospects.

Shiseido, throughout its business, acquires and divests brands. Having a modern MDM solution is key in both scenarios. The ability to globally standardize data and distill the important KPIs allows for the seamless onboarding of new data into the platform. It helps to clarify, connect, and harmonize data across all systems. For the acquired brand Drunk Elephant, as just one example, Shiseido has been able to effortlessly integrate new enterprise application data, third-party data sources, and omnichannel interactions due to its existing strong data foundation.

Solution

- Reltio Connected Data Platform, focusing on the customer domain
- Salesforce Marketing Cloud and analytics platform integrated with Reltio
- Enabling 360-degree views available when and where needed
- Serving millions of customers on a day-to-day basis

Benefits

- Improved accuracy and governance of customer data assets
- Unified, standardized data across all systems
- More effective marketing, based on 360-degree customer views
- Increased customer engagement with personalized user experience and communications
- Actionable insights based on trusted customer data
- Effective onboarding of a majority of brands and markets into its core platform
- Easier regulatory compliance and divestment of data with data history and lineage
- Capturing new sources of customer data including biometrics

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"Maintaining compliance with local and regional laws, as well as supporting the divestment of data, has been easier for the company since the team leverages Reltio's powerful data auditing, history, and lineage capabilities. Having robust control and visibility into the history of our mastered data enables smooth day-to-day operations, both in growth and divestment," comments Welington Fonseca, EVP Global Customer Marketing and eCommerce at Shiseido.

Results

"The benefits have been incredible. We have launched about 125 websites since our team started back in 2016. We are now talking directly to millions of our consumers on a day-to-day basis. In 2023, we've already sent about 1 billion personalized communications," explains Fonseca.

Shiseido is a multi-brand organization and continues to acquire—and sometimes divest—brands. The company has been investing more in innovative technologies such as predicting future skin concerns with facial images. This technology is based on research findings conducted by the brand for more than 100 years. Since the organization has been able to transition its skin devices to digital venues, Shiseido has been able extend its data model in Reltio to acquire different types of customer data, primarily biometric data.

Using Reltio as a data unification and management platform, Shiseido is able to:

- Effectively onboard brands and markets into a core platform, enabling the company to engage with its loyal consumers in a personalized way by leveraging a 360 view of its customers and prospects
- Ensure data uniformity, accuracy, stewardship, and accountability of its customer data to provide the business with trusted and actionable insights
- Maintain compliance with local and regional laws, as well as supporting the divestment of data by leveraging Reltio's robust auditing, history, and lineage capabilities
- Understand consumer preferences, evaluate customer trends, analyze audience behavior, and optimize marketing strategy
- Innovate with the power of generative AI by using sentiment analysis to gain insights into post-purchase actions and generate communications for marketing campaigns

Next steps

Shiseido plans to continue to drive innovation and enhance the customer experience through the power of data by doubling down on omnichannel continuity, prioritizing and personalizing one-to-one conversations with consumers in their path to purchase, and creating more virtual experiences such as AI-powered makeup advisor, facial skin analyzer, and more.

> "Our main priority is to continue to build our consumer profiles and the strong community of our brands. With so many choices in skincare and beauty these days, building brand loyalty is key,"
>
> – Welington Fonseca
>
> EVP Global Customer Marketing and eCommerce at Shiseido.

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ABOUT RELTIO

At Reltio, we believe data should fuel business success. Our AI-powered data unification and management platform—encompassing Reltio 360 Data Products, Multidomain Master Data Management (MDM), and Entity Resolution—transforms siloed data from disparate sources into unified, trusted, and interoperable data. The Reltio Connected Data Platform unifies and delivers interoperable data where and when it's needed, empowering data and analytics leaders with unparalleled business responsiveness. Leading enterprise brands—across multiple industries around the globe—rely on our award-winning data unification and cloud-native MDM capabilities to improve efficiency, manage risk, and drive growth.

To learn more, visit www.reltio.com

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