DTO
SHISEIDO

SHISEIDO

Shaping the Future of Beauty

IR Presentation | Digital Transformation

Angelica Munson, Chief Digital Officer

Amit Naik, Head of Data and Analytics

Agenda

- Digital Transformation Journey
- Impact
- Future Focus

SHISEIDO

OUR MISSION IS

BEAUTY INNOVATIONS FOR A BETTER WORLD

Hello

Angelica Munson
Chief Digital Officer

2016
Joined Shiseido
SVP eCommerce

2018
President
DCOE (+ CRM, Data & Analytics, Education)

2021
Chief Digital Officer
(+ Beauty Tech, Prestige + Premium)

2022 -23
Tokyo, Japan HQ
(+ Media COE, Content, AI)

Amit Naik
Data & Analytics Lead

Roxanne Ong
Strategy & Education Lead

Welington Fonseca
Consumer Engagement Lead

Aya Mitake
Program Management Lead

Omer Iqbal
Digital Architecture Lead

Yuichiro Mori
Skin Data Science Group Manager

Teams Scaling Digital Transformation Around The World

EMEA

FLORIAN D'HAUTEVILLE
Chief Business Officer and
Digital Transformation
EMEA, Paris

CHINA

TINA CHEN
Chief Digital Officer
Digital Transformation Office
China, Shanghai

AMERICAS

MARY GERZEMA
EVP Marketing Intelligence &
Consumer Engagement
Americas, New York

JAPAN

SASAMA YASUHIKO
Chief Digital Officer
Shiseido Interactive Beauty
Japan, Tokyo

TRAVEL RETAIL

SIV CHAO
VP Marketing and Digital
TR, Singapore

APAC

JULIANA CHU
Vice President Digital and Ecommerce
APAC, Singapore

1 IRREVERSIBLE
Consumer Shift To Digital

2 COMPETITIVE INVESTMENTS
In Digital, Data & Tech Competencies

3 BEAUTY: HEALTH & WELLNESS
Growth through Digital & AI

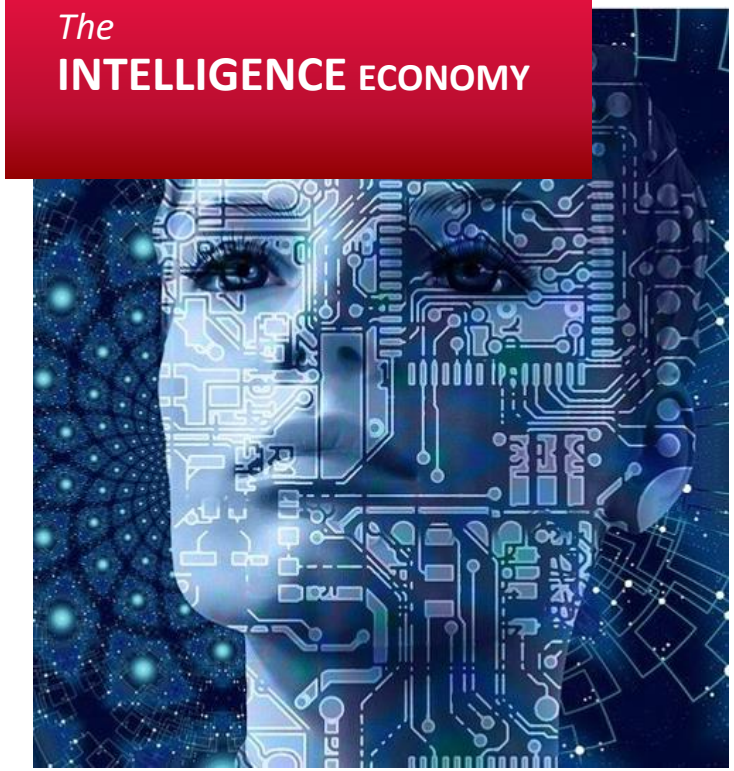
4 OMNICHANNEL
Future of Retail

Tech Advancements & Consumer Behaviors Lead to

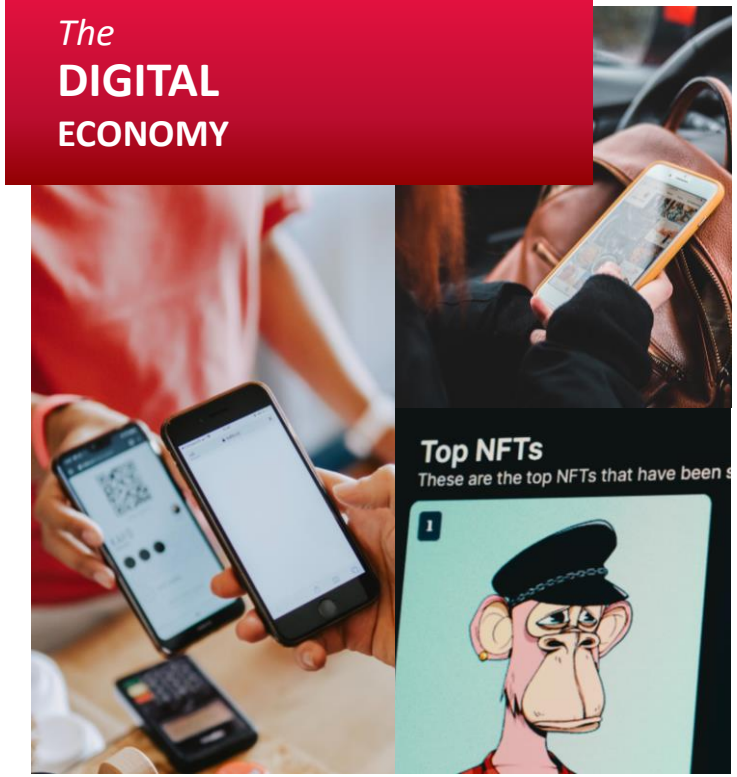
New Economic Paradigms & Opportunities

- Applied AI and ML
- Super Processors
- 5G/6G
- AR/VR
- Blockchain
- Big Data
- IOT & Sensors
- Spatial Computing
- Cloud & Edge Computing

The INTELLIGENCE ECONOMY



The DIGITAL ECONOMY



The CREATORS ECONOMY

Transformation Journey…

VISION 2020

2016

DIGITAL CENTER OF EXCELLENCE

1

ESTABLISH

Creation of the COE to nurture strategic initiatives and alignment across eCommerce, digital marketing, analytics and education.

2017 -2018

2

DEPLOY

Installation of regional digital teams to develop market competencies in eCommerce, CRM, data centralization and digital skills. Launch virtual services programs, derive consumer insights, test-and-learn initiatives.

WIN 2023

2021

3

SCALE

Formation of the Digital Transformation Office in HQ to scale EC, CRM, Data & AI practice. Accelerate on People transformation for Digital. Intensify maturity of previously established programs.

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2023

4

EVOLVE

Create new business value in digital, powered by data, AI powered, strategic partnerships and cross functional teams. Mature extraction of data value to serve the purpose of secondary functions in the value creation chain.

SHIFT 2025

2030

5

TRANSFORM

Open, collaborative, data-driven approach to designing products and services. Innovation part of a wider digital ecosystem orchestrating dynamic network, accelerating Shiseido's ability to adapt to changing customer demands and market forces.

SHISEIDO

3 key initiatives positioning us to quickly shift our business to meet the surge in consumer demands

Architect a unified and connected ecosystem across geographies, brands and businesses. Empower Regions, Global support.

Equip our brands and businesses with the tools and teams to grow

EC, consumer engagement, maximize customer value, collect data, valuable assets.

Build digital & data literacy

across our workforce, to navigate digital world and disruptions with confidence, resilience through **data-driven decisions.**

DIGITAL CENTER OF EXCELLENCE

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2016

Siloed, Fragmented

With Significant Impact to…

CAPABILITIES **COST** **CUSTOMER** **MEASUREMENT**

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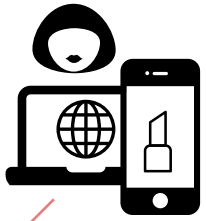
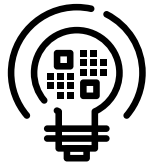
2016 2017 2018 2019 2020



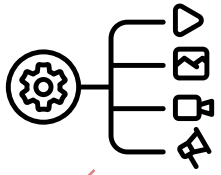
GLOBAL D2C

- ✓ Global D2C Expansion: Ecommerce and Marketing
- ✓ Partner network consolidation - enhanced SL



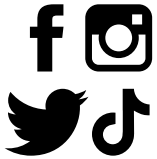
CRM, ANALYTICS & INSIGHTS

- ✓ Journeys, Segmentation
- ✓ Digital Activation Center
- ✓ Data Democratization and training



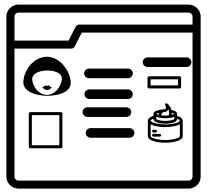
CAMPAIGN ORCHESTRATION, MARKETING AUTOMATION

- ✓ Strategy Playbooks
- ✓ Guidance
- ✓ Activation
- ✓ KPI scorecard



SOCIAL MEDIA LISTENING

- ✓ Insights, Trends
- ✓ Competitive Tracking
- ✓ Crisis & Risk Management



CONTENT MANAGEMENT

- ✓ Digital Assets for D2C, partner networks
- ✓ BH, Regional empowerment
- ✓ Syndication, Tracking

SHISEIDO DIGITAL ACADEMY

SHISEIDO DIGITAL ACADEMY

- ✓ Tailored Learning Paths
- ✓ Multi Languages
- ✓ Advanced Certifications

REGIONAL DIGITAL TEAMS

- ✓ Digital Service Teams
- ✓ BH Digital support
- ✓ Cross Functional Partner Network

GLOBAL TRANSVERSAL SCALABLE

A Unified, Data-Driven Digital Platform Powered for Growth

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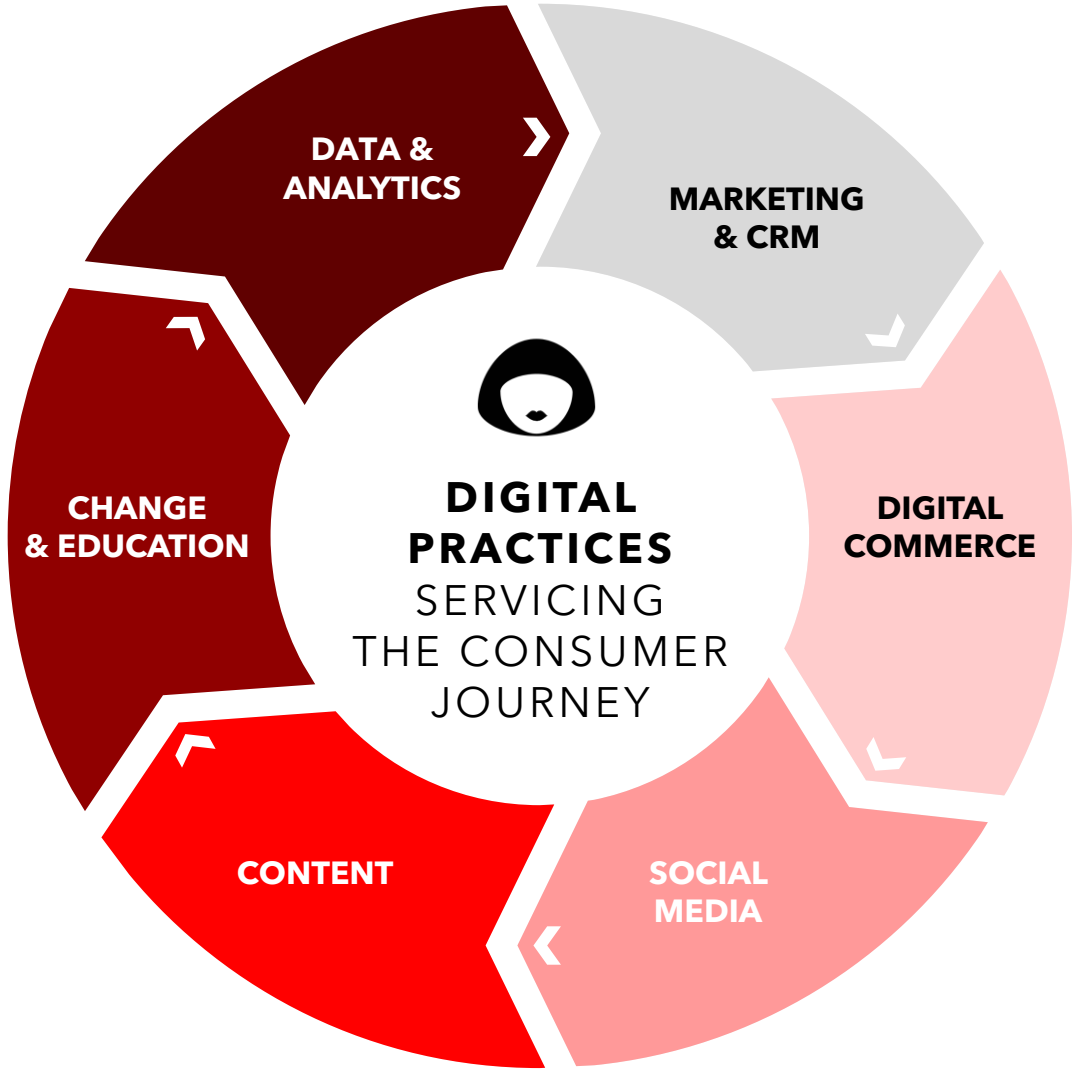

By the end of 2020:

- **90+** DIGITAL FLAGSHIPS
- **82** CONNECT INSTANCES
- **39M** CONSUMER PROFILES
- **25%*** ECOMMERCE RATIO

SHISEIDO DIGITAL ACADEMY
enrolled nearly
8,000 STUDENTS
4,500 ADVANCED CERTIFICATIONS

By the end of 2020, huge strides in our Digital Transformation journey and ready to tackle the next chapter of change.

When COVID-19 hit, we were able to quickly shift our business to meet the surge in demand through EC channels and services like live streaming, VTO and BC Chat

SHISEIDO

*2020 Full Group Portfolio

Mission

Drive growth through **data insight, consumer engagement** and **beauty tech** enablement to maximize corporate value and increase **digital fluency** across Shiseido.

Roles

Strategy	Innovation	Analytics & Insights	Change Management	Consumer Experience	Ecosystem & Partnerships

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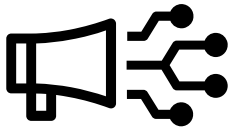
Six Strategic Priorities

1 **Skin Beauty Focus:** Multi Touchpoint experiences informed by data , enhanced by beauty tech.

2 **E-commerce & Omnichannel Acceleration:** Increase Digital Commerce footprint across all EC channels. Improve consumer engagement.

3 **Data & Analytics:** Generate corporate value by continuously analyzing consumer data and extracting actionable insights.



4 **Digital Marketing:** Drive the global shifts of media to digital delivering maximum effectiveness.

5 **People Transformation:** Strengthen our organizational structure and talent acquisition, upskill workforce.

6 **Organization & integrated Operating Model:** Collaboration and integrated efforts to build strong DX foundations with our partners (HR, IT, FOCUS, external)

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CONNECT

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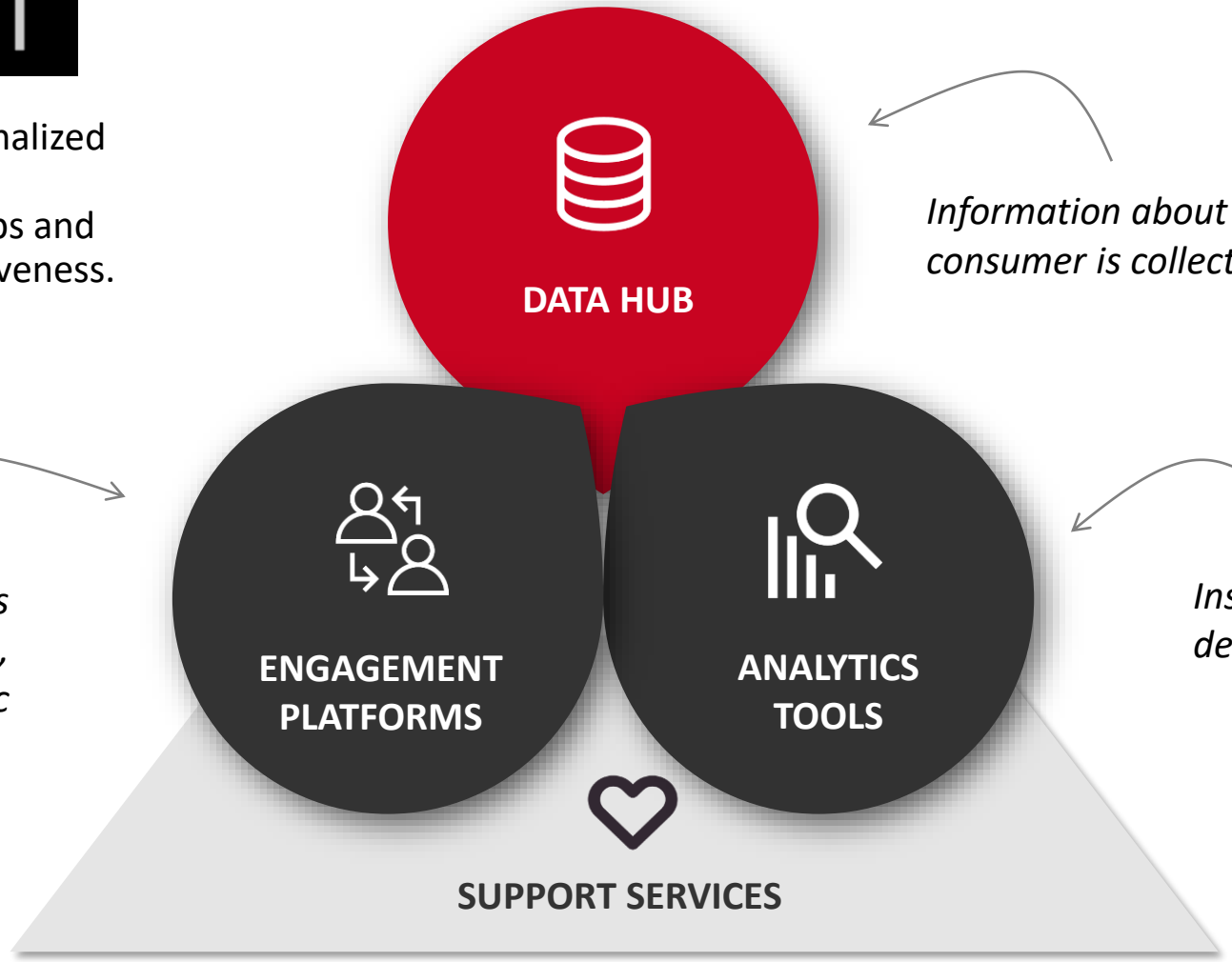
Grow customer value by personalized consumer experiences at scale.
Optimize customer relationships and omnichannel marketing effectiveness.
Customer Centric, Data Driven.



Information about the consumer is collected

Personalized comms including SMS, WeChat, Line, Email etc

Insights to consumer demographics, and behavior

Extended team to assist with governance, education, planning & activation

GOVERNANCE – *Custodianship*

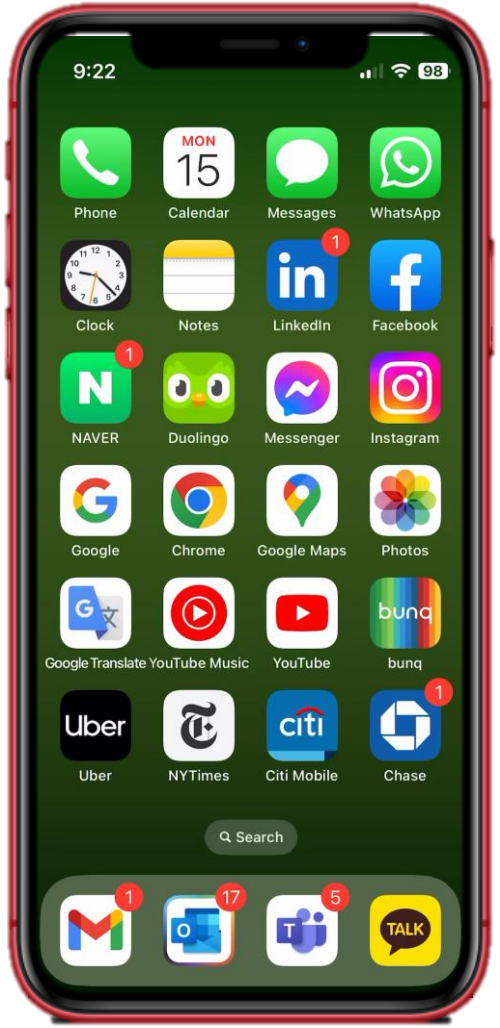
INTEGRITY – *Actionable & Valuable*

ORGANIZATION – *Data Driven*

ACTIONABILITY - *Value Creation*

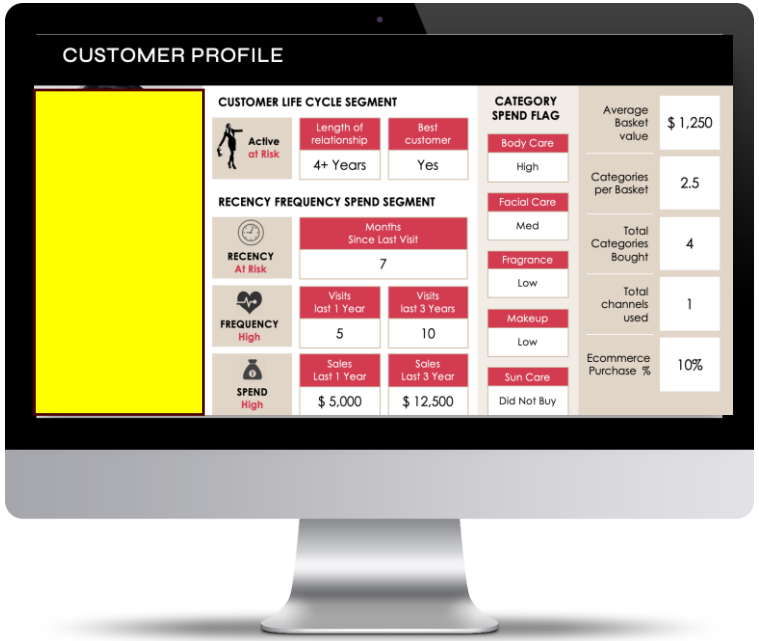
Scalable Infrastructure

Personalized Consumer Experiences at Scale



- Select Targeted Audience leveraging mix and match of 200 available attributes
- Omni-channel communications

- Curated experience according to customer lifecycle, customer needs



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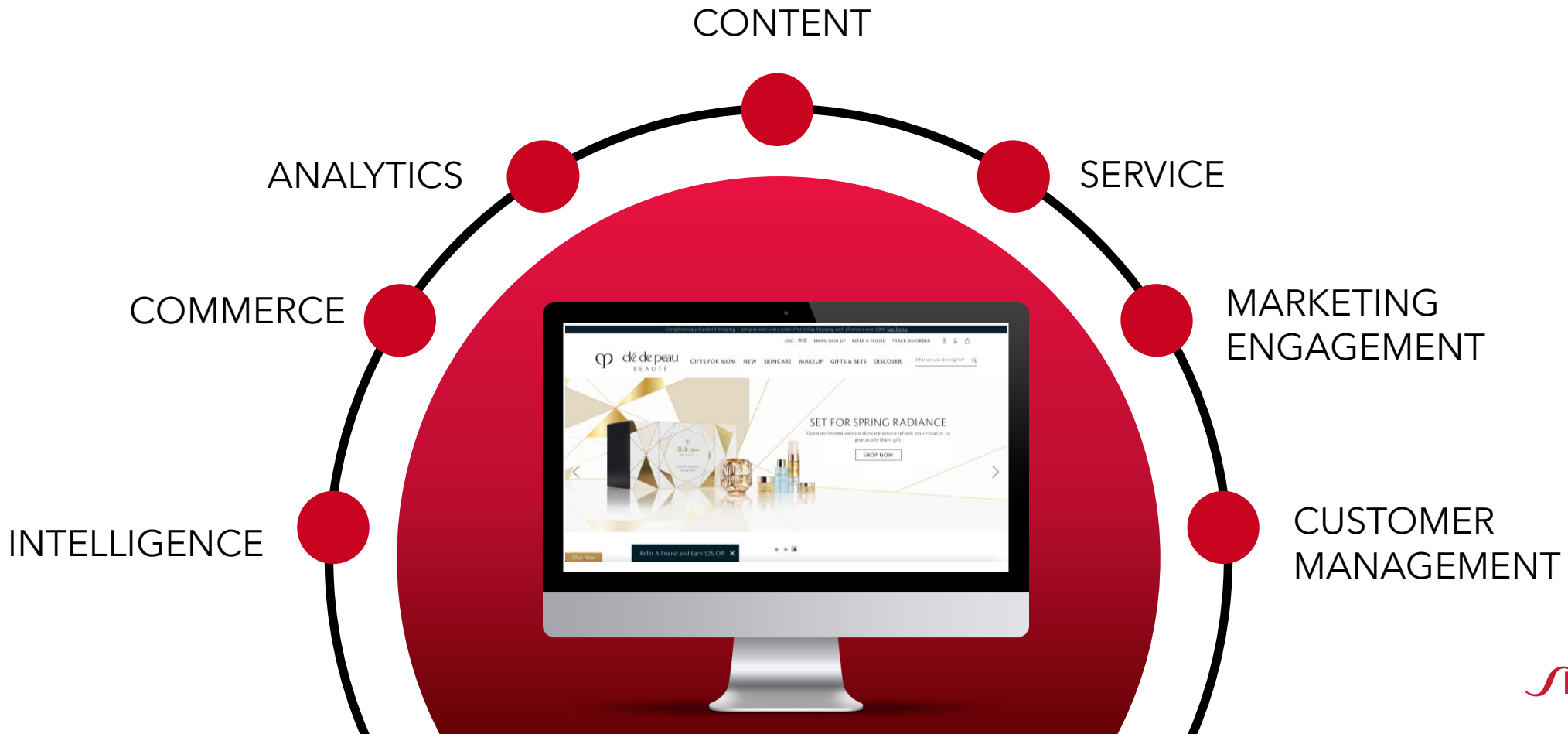
Scalable Infrastructure
for Commerce Digital Flagship Brand Digital Destination

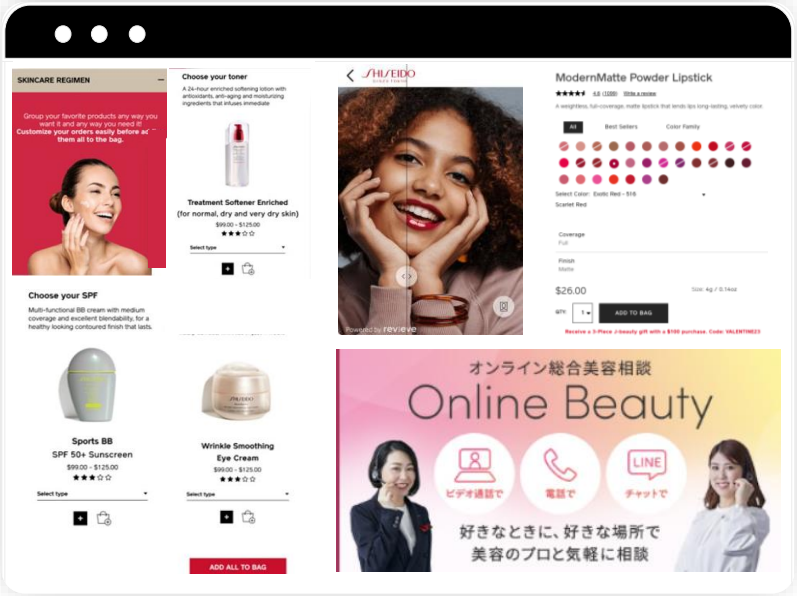
DIGITAL COMMERCE ECOSYSTEM FOR GROWTH

Enabled By A Global Code Base With 7 Core Competencies



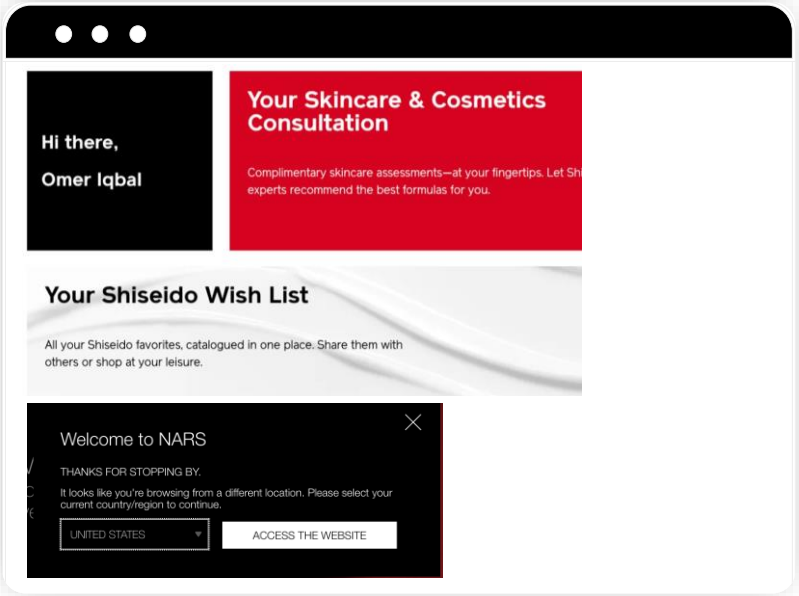
Scalable Infrastructure
for Commerce Digital Flagship/Brand Digital Destination

Merchandising & Shopping Experience



Skincare Regimen Experience
Virtual Try-on
Sampling
Bundle Shopping Experience
Order Replenishment

Personalization & CX



Upsell & Cross Sell Product Recommendation Via AI
Testing and Analytics
Abandoned Cart

Packaged with various integrated mar-tech tools

Referral Marketing
Ratings & Reviews
Digital Asset Management
Geo Store Locator
Personalization
Merchant Integration
Social Live Shopping
One to One Marketing

Sustainable Growth

Business Resilience

1st Party Data

BEAUTY TECH LAB @ SHISEIDO

Enhancing the Consumer Experience

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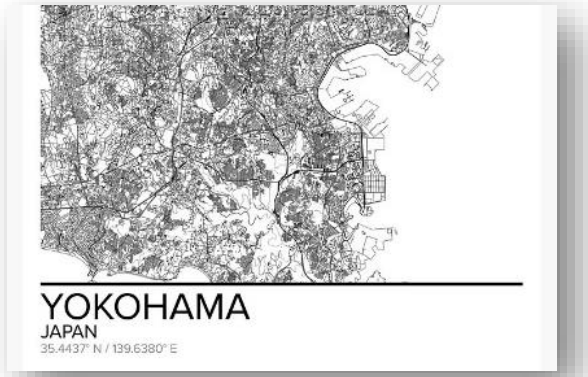
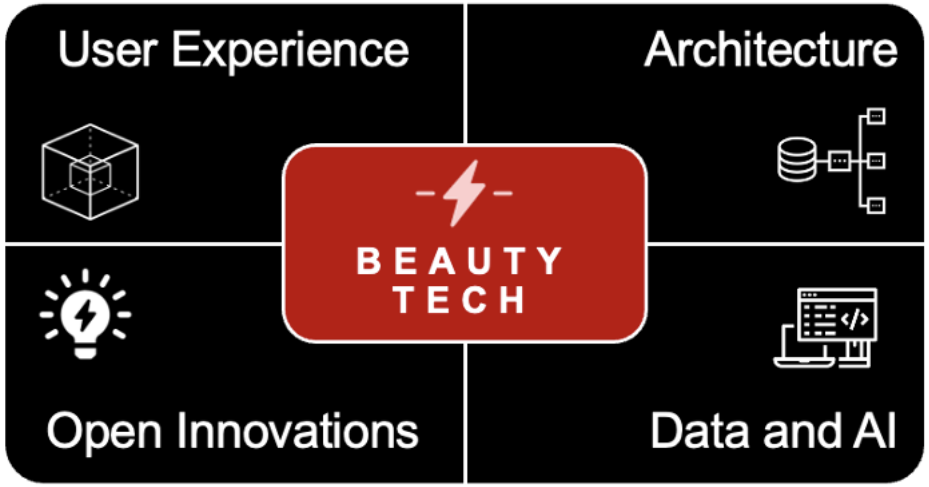


CAPABILITIES - SKIN SCIENCE & TECHNOLOGY

- R + D Science SME
- Computer Vision
- Statistical Analysis
- Data Science
- Machine and Deep Learning
- Natural Language Processing
- Product Management & Strategy
- Image Processing, 3D Rendering
- User Experience

Create Transformational Consumer Experiences & Relationships
through tech product and services strategy, design & management.

Drive Speed In Innovations
by creating an ecosystem of tech through strategic alliances and incubation.



Create a Future-fit Infrastructure
by building a scalable, adaptive, resilient consumer tech architecture.

Deliver On Data-driven Skin Beauty Powerhouse Ambition
w/ internal external partners. Scalable solutions leveraging data and AI.

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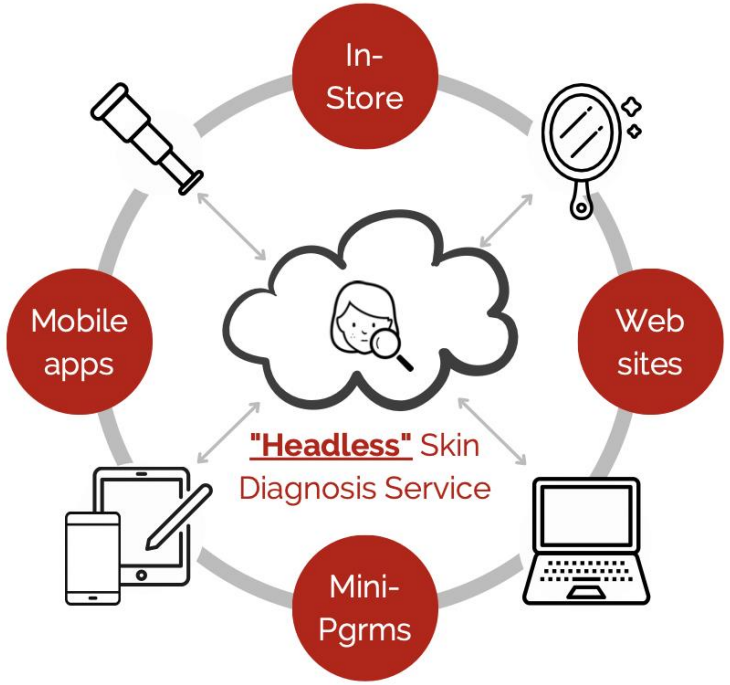
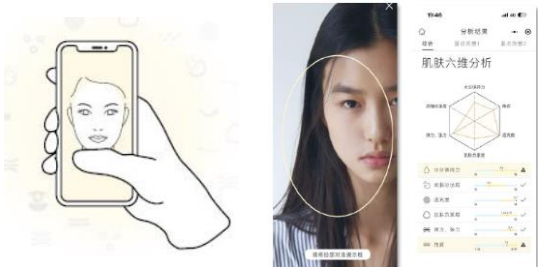
BEAUTY TECH LAB @ SHISEIDO

Enhancing the Consumer Experience: ”FCA”



Roll-Out in Store



China WeChat

Japan LINE

In Store Visualizer

Prestige, Premium Brands and Multi Markets

- Proprietary R+D engine, BH custom
- AI, Computer Vision
- Microservices: Data, Identity, CRM
- Built to scale: brands, markets
- Security, Compliance
- Omnichannel Service Expansion

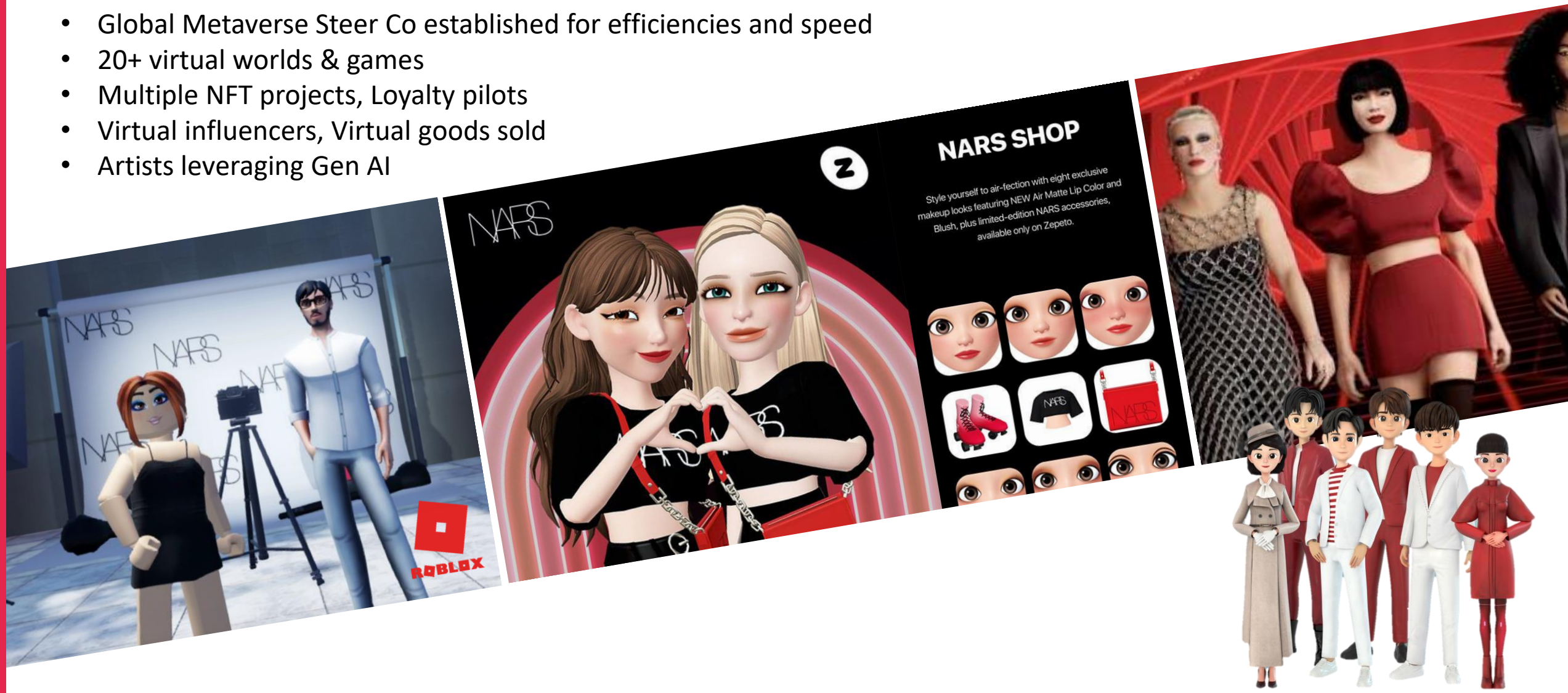
1st Party Data

- ✓ Consultant empowerment
- ✓ 24/7 Service
- ✓ Generates data

- ✓ Unlocks customer and market insights
- ✓ Gateway to product discovery
- ✓ Conversion and engagement driver

Metaverse Web3 Activations: Expansion of reach & engagement; testing and piloting new experiences and engagement

- Global Metaverse Steer Co established for efficiencies and speed
- 20+ virtual worlds & games
- Multiple NFT projects, Loyalty pilots
- Virtual influencers, Virtual goods sold
- Artists leveraging Gen AI



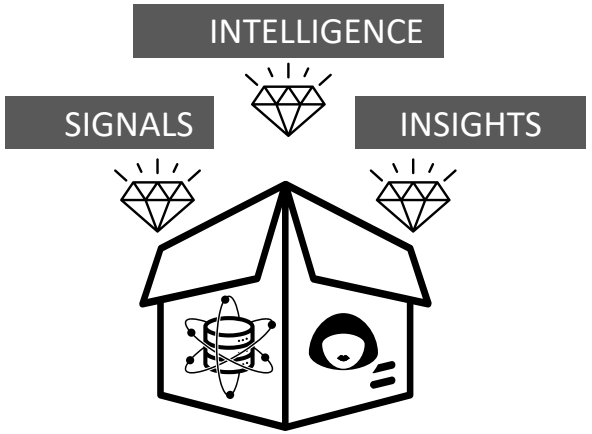
Delivering Performance & Results

by Unlocking the Power of Data Across the Enterprise Value Chain

OUR CONSUMER DATA

An Asset & Competitive Advantage

Consumer Data: an enterprise asset w/intrinsic value. When unlocked, we gain valuable signals, intelligence & insights.



PERSONALIZED OMNICHANNEL CUSTOMER EXPERIENCE

BUSINESS DECISIONS FOR EFFICIENCIES & PROFITABILITY

R&D INNOVATIONS WITH AI/ML

ENRICHED PARTNER ECOSYSTEM

OUR ANALYTICS JOURNEY

WHERE IT ALL BEGAN

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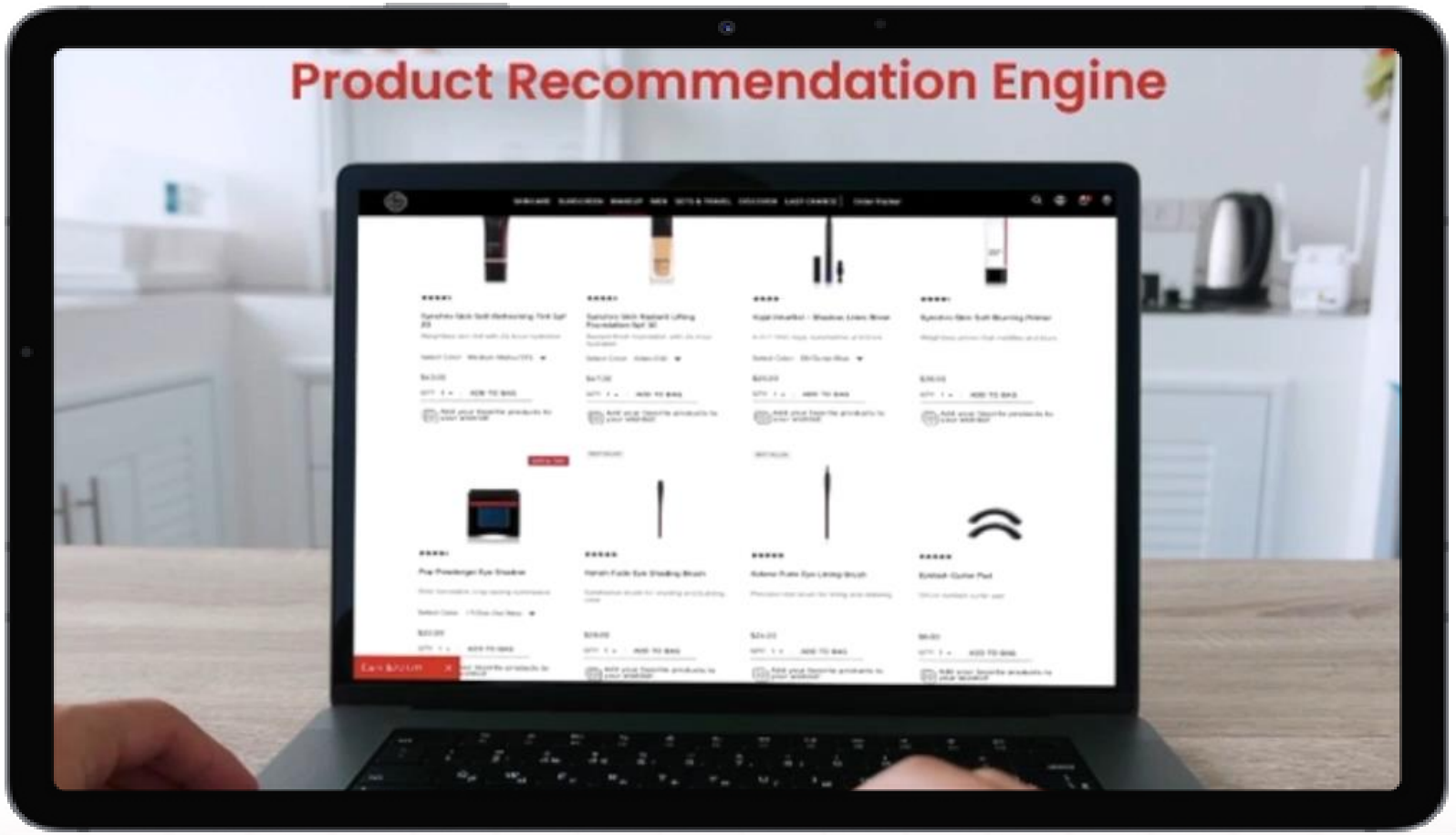
ADVANCED ANALYTICS
Leveraging AI & ML into Regional Roadmaps

ADVANCED ANALYTICS
Leveraging AI & ML into Regional Roadmaps



Descriptive To Prescriptive To Predictive

Full Spectrum of Analytics Services

1
EXECUTIVE DASHBOARDS

2
WEB ANALYTICS & UX

3
CUSTOMER ANALYTICS

4
SOCIAL & MEDIA ANALYTICS

5
ENTERPRISE ANALYTICS

GLOBAL CRM KPIs

KEY PERFORMANCE INDICATORS

FIRST PILLAR

CONSUMER SCALE & ENRICHMENT

SECOND PILLAR

CUSTOMER HEALTH

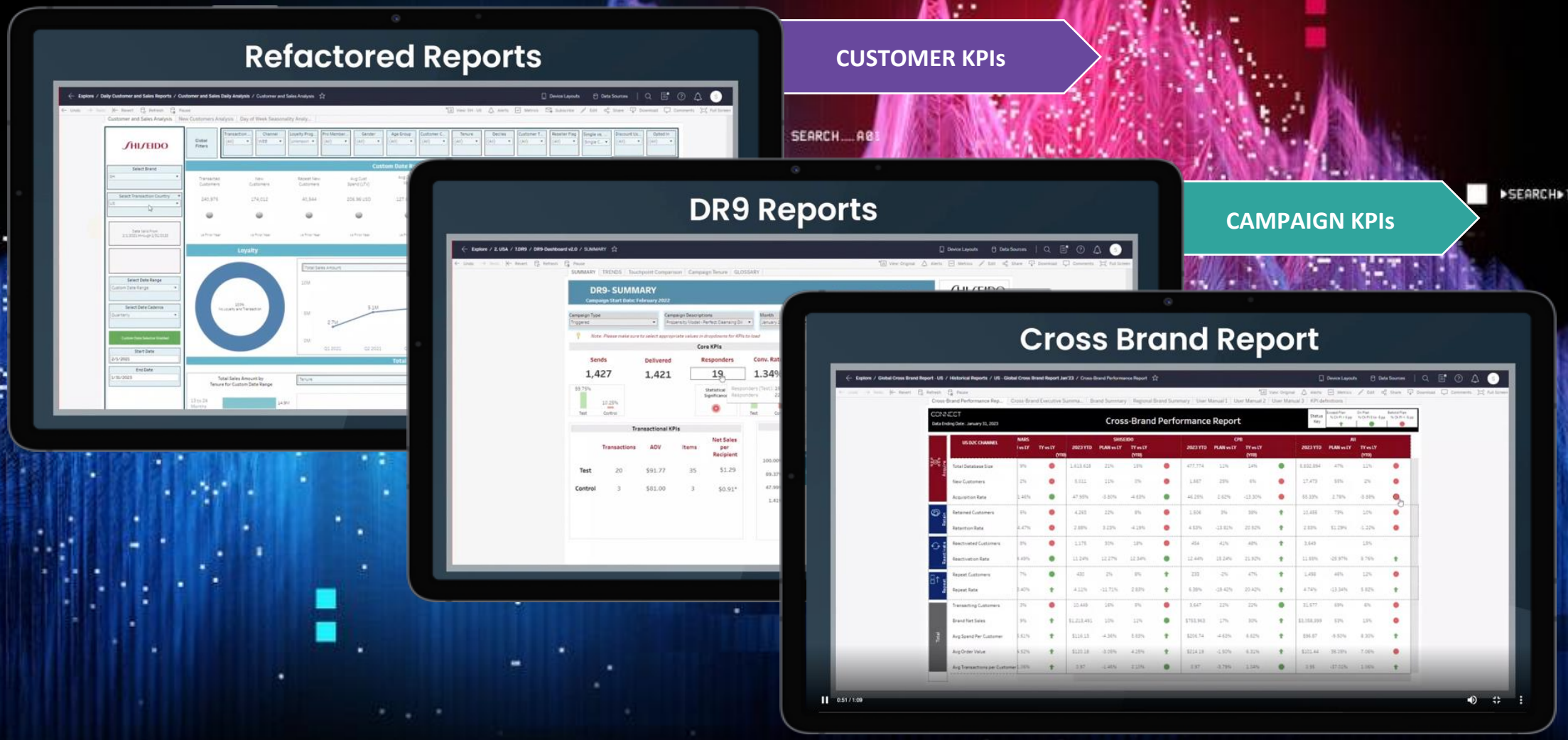
THIRD PILLAR

BUSINESS RELEVANCE

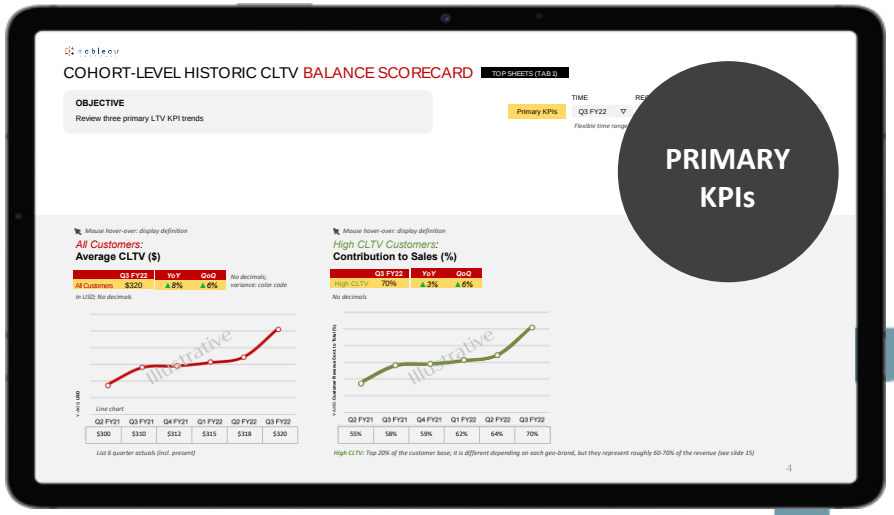
FOURTH PILLAR

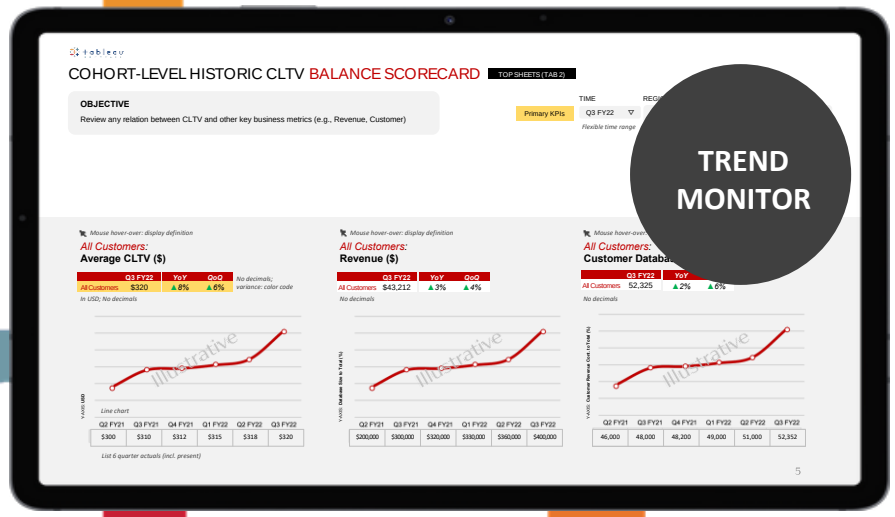
CUSTOMER LIFECYLE

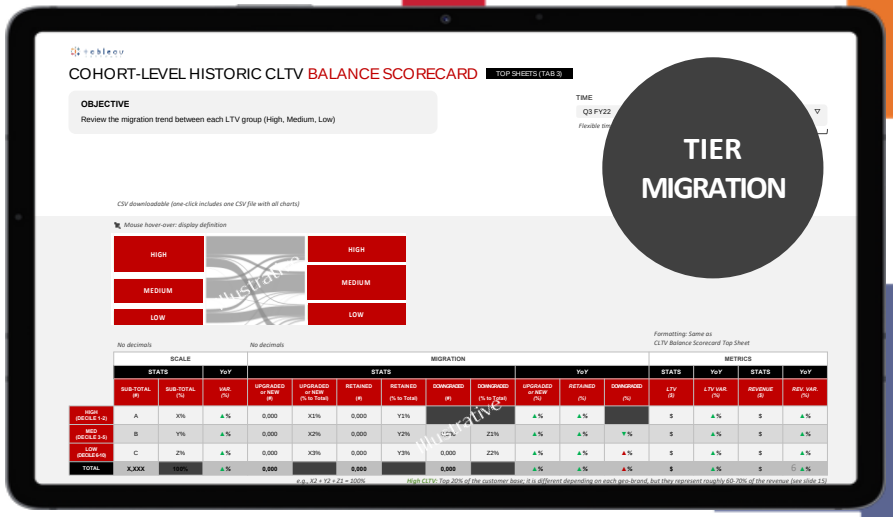
DATA DEMOCRATIZATION

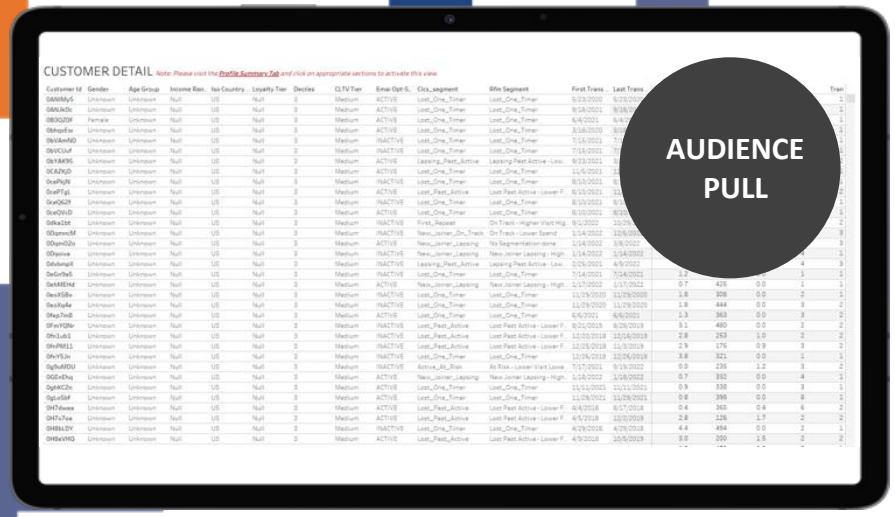


DATA DEMOCRATIZATION









OBJECTIVES

1. MAXIMIZE POTENTIAL HIGH-VALUE LEADS GENERATION
2. INCREASE MARKETING ROI
3. RETAIN HIGH-VALUE & VIP CUSTOMERS
4. NURTURE FUTURE HIGH-VALUE CUSTOMERS
5. PREVENT ACTIVE CUSTOMERS FROM DISENGAGING

People Transformation: Build Capabilities through Knowledge, Literacy & Skills

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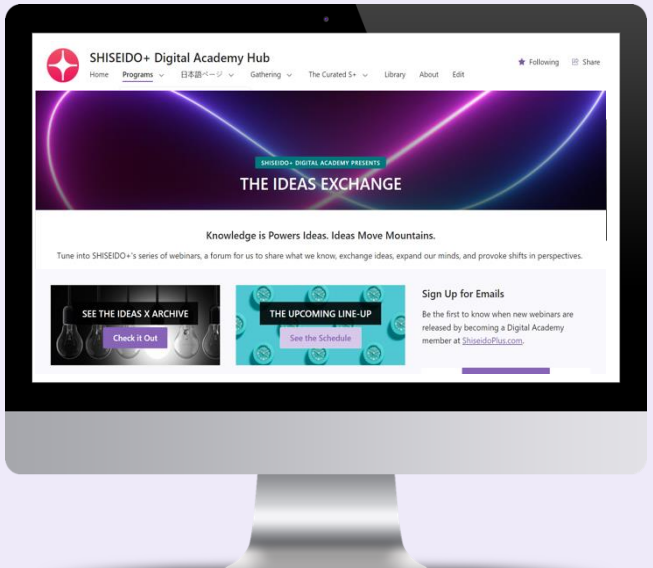
SHISEIDO ✦ DIGITAL ACADEMY

MISSION

Prepare our people to successfully drive Digital Transformation by Nurturing a digital-first culture & mindset through Upknowledge & Upskill Programs.

PROGRAMS

1. **KNOWLEDGE ACQUISITION**
   Webinars Symposiums
   Summits
   Expeditions
2. **LITERACY CERTFICATION**
   Digital Literacy
   Tech Literacy
3. **UPSKILLING**
   Masterclasses
   Workshops
   Advanced Certs



ACTIVITIES
Webinars
Workshops
Masterclasses
Expeditions
Summits

SHISEIDO+ DIGITAL ACADEMY

KNOWLEDGE CERTIFIED

Digital Foundations

DIGITAL LITERACY

SHISEIDO

People Transformation:
Fostering Community & Culture for New Ways of Working

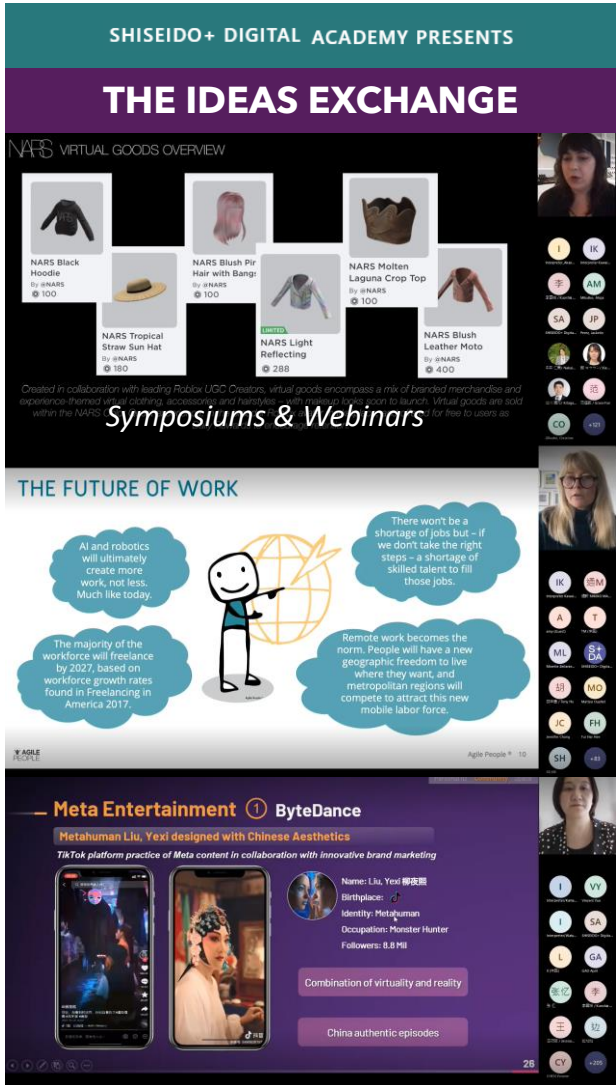
2022 Canada Future Festival Expedition

2023 Digital Day - APAC

2023 Digital Agile Leadership Workshop - TR

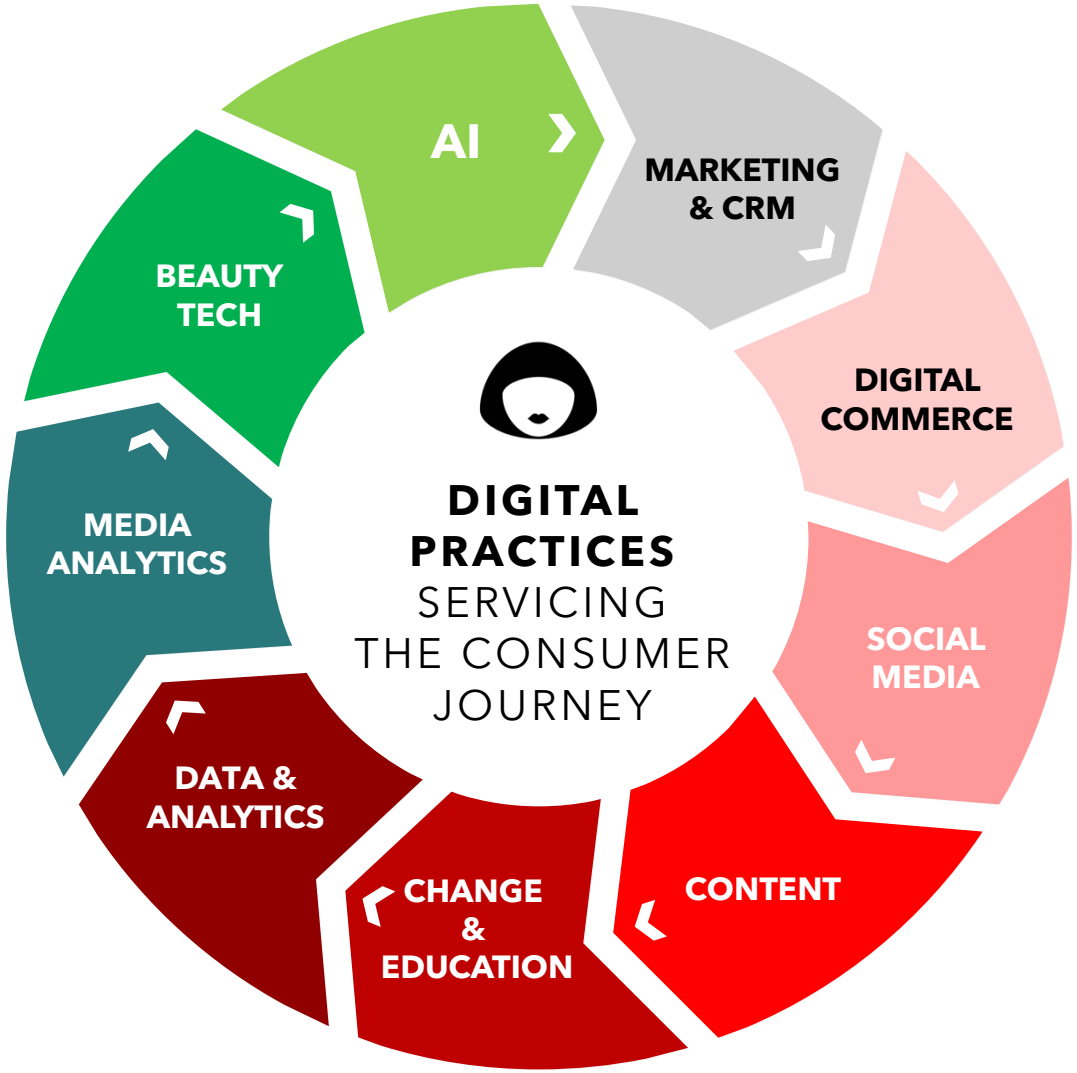
5th Global Digital Leadership Summit

3rd EMEA Digital Summit



Symposiums & Webinars

2022 A Unified, Data-Driven Digital Platform Powered for Growth



125+ DIGITAL FLAGSHIPS

33% ECOMMERCE RATIO

83% DIGITAL MEDIA RATIO

95 CONNECT INSTANCES

3X CONSUMER PROFILES

4B* PERSONALIZED COMMS

SHISEIDO DIGITAL ACADEMY *enrolled* **8,600**

- ✓ DTO HQ Integration
- ✓ Digital Talent/SMEs

*Program to date since 2017

Digital Ecosystem & Network

Consumer Engagement

Increased CLTV
New Customers

Sales & Distribution D2C,
Retailer.com & Pure Players
Social Commerce
New Business Innovation

Consumer Data Generation

Insights to Action
Data Science
AI COE

Teams & Network

Knowledge & Skills ★ Excellence in Execution

Great Consumer Experiences

Great Consumer Relationships

Digital & Data Driven Engagement
Creates a Virtuous Cycle of Value Creation for the Shiseido Group

THANK YOU
ありがとうございました
DTO
SHISEIDO