

## The "Change Destiny" story for SK-II in Japan

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This case study describes how SK-II, the prestige skincare brand in Japan, used a content-rich connection strategy to expand its user base.

- SK-II needed to encourage trials among young female executives, and it wanted to persuade younger women that they needed to think about skincare now, rather than leaving it until they are older.
- The brand shifted from a linear media plan to maximising ROI in the channels most relevant to the target group - this meant moving budget from TV to online video, social and search.
- Online video was key to this campaign, with different story sequences, including videos with beauty vloggers and invitations to visit stores.
- This content was amplified through owned and earned media channels, and led to a 16% higher media contribution to sales versus previous campaigns, with sales above target.

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### Campaign details

**Brand owner:** Procter & Gamble

**Lead agency:** MediaCom

**Budget:** 10 - 20 million

**Country:** Japan

**Industry:** Cosmetics, beauty aids, Skin care, sun protection, Toiletries and cosmetics market

**Media:** Content marketing, Earned media, buzz, Events and experiential, Internet - display, Internet - microsites, Internet - search, Magazines - consumer, Mobile and apps, Online video, Outdoor, out-of-home, Point-of-purchase, in-store, Print - general, unspecified, Product sampling, Public relations, Social media, Television, Word of mouth, advocacy

## Executive summary

This case study describes how SK-II, the prestige skincare leader in Japan, used a content-rich connection strategy to expand its user base. SK-II needed to encourage trials among young female executives. They know how life decisions – career, relationships – impact their futures; we needed to show that the same is true for her skin, hence the time to start using SK-II is now. In FY 2014–2015, MediaCom designed a consumer-centric plan for SK-II's 'Change Destiny' story. The different media were chosen on the basis of media habits, relevance to the brand objective, and ROI. Our approach therefore moved from an asset-linear distribution to a consumer connection system, fuelled by content and maximising impact. Online video was our hero: different story sequences, including videos with beauty vloggers, were offered as the audience chose to watch or not a certain asset. Magazine and out-of-home advertising established authentic connections using real users' testimonials. These were amplified through digital content distributed with scale and linked to owned and earned channels. Our promise of 16% higher media contribution to sales is on track as attested by MMM and the client's own tracking. By April 2015, SK-II sales and new users were above target by 120% and 55%, respectively.

## Market background and context

SK-II ([www.sk-ii.com](http://www.sk-ii.com)) is a Japanese prestige skin care brand created in the 1970s and known for its signature ingredient called 'Pitera'. The secret key for a youthful skin was found when scientists noticed the gap between the wrinkled faces of aged sake brewers and their soft hands. A decade of hard work later, they were able to isolate the single yeast strain responsible for that crystal clear skin.

SK-II currently supports women who have an active attitude towards their lives – beauty and skin care being an important part of it – in the Asia Pacific, Europe and North America. To be able to offer an authentic SK-II experience, it is sold only at SK-II counters in department stores and selected drugstores. As distribution is limited, SK-II relies heavily on marketing to drive store visit intention. This strategy has proved to be successful, SK-II being the market-share leader and top of mind in the prestige skin care segment in Japan, disproportionately ahead of key competitors such as Clé de Peau Beauté, Albion, Estée Lauder and Dior.

## Channel objectives

Awareness being saturated and with healthy levels of loyalty among existing users, the brand challenge in recent years has been to drive benefit relevancy among new users and to convince them to try it. Women in their early thirties in Japan know of SK-II's superiority in providing an everlasting crystal-clear skin. However, they do not feel an urgent need to try such a prestige skin care product as they do not face any serious skin issue at that life stage. SK-II, they believe, is not for 'their age'. This results in lower conversion from acceptance to trial: only 77% of those who believe in the brand proposition have ever tried SK-II, versus 82% for Lancôme.

Young female executives, however, are a high potential target for SK-II as they willingly spend more than 40,000 JPY annually on high-end cosmetics. This successful woman knows that her life decisions now impact her future, such as career, relationships, investments. It was MediaCom's task to target her and make her aware that the same is true for how she will look 10 or 20 years later. SK-II's 'Skin Future Study' clinical research proves that women who adopted SK-II in their twenties and thirties have long-lasting young skin. Therefore the time for her to 'Change Her Destiny', including her beauty destiny, is always now. And SK-II is the proven answer.

Media again was expected to play a central role in telling the 'Change Destiny' story and to drive counter visits, the entry point for the initial trial.

## Connection planning

A brief requesting us to elegantly tell a story while delivering measurable impact for brand in an efficient way was the perfect chance for MediaCom to apply its 20|20 Content & Connections philosophy to integrated marketing communication.

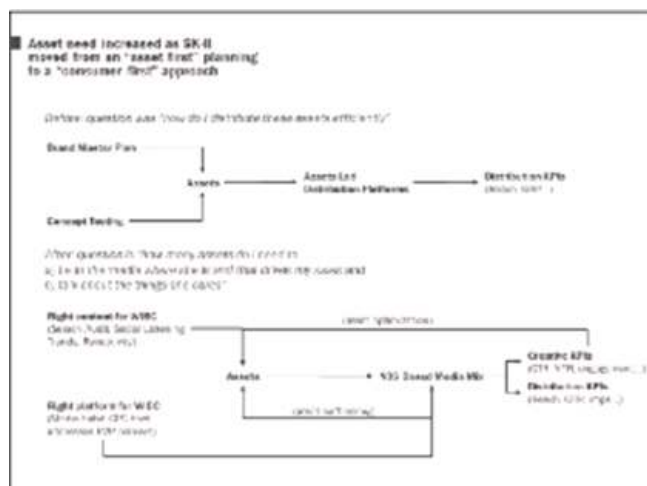
This approach, however, required a change in paradigm.

In the past, clients would contact MediaCom with brand messages crystalised in creative assets and one question in mind: how do I distribute them efficiently? The output of a 'linear distribution plan of creative assets' would therefore be a media channel mix to maximise the reach of these assets and KPIs set around its delivery through each media channel in isolation.

However, optimising silos would not deliver a well-connected story nor maximise impact and efficiency. The question we asked ourselves, therefore, was how we could create a system that is designed to generate multiple connections with the consumer in line with her fast-changing media habits, and also which is entirely optimised towards a single business output like sales rather than in-process metrics like reach.

This was our starting point. Only with this approach could we really leverage dependencies within the system of connections and between this system and other business drivers. Content then becomes the fuel that powers this system and hence has to be designed to suit it, not the other way around. We call this 'Content & Connections Planning'.

For SK-II, designing a system to drive trials and ultimately sales meant shifting the focus to maximising ROI among the media channels where she is and which are relevant to tackle the brand challenge. This approach recognises that not all reach is equal. It acknowledges, for example, that the audience engagement with different screens— TV, PC, smartphones— varies and so does their impact. It's no surprise that our optimisation resulted in a 50% cut in TV spend and a shift to formats such as online video, social and search, both on PC and mobile.



It also meant that once this system was designed, we concluded the content and assets that we needed. A system that wishes to connect through her social feeds and search queries, for instance, needed to offer

relevant content that links what SK-II wanted to communicate to what she was actually searching for or talking/reading about. Media signals such as search queries and social buzz therefore offered valuable insights on what type of content was needed.

Moreover, as the optimisation determines which media channels we need to be present in and at what volume, MediaCom as a media agency was in a new position of guiding the client on:

- a. how many assets in what formats and types were needed to power the system and
- b. how to best tell our Change Destiny story in an integrated way, focussing on the best aspect each medium could narrate, to ultimately improve platform effectiveness.

Regarding a), our approach meant a cut from 20 TV copies produced annually to only three. Digital assets, on the other hand, increased twofold in the case of online video and sevenfold for social. To meet the new demand without incurring higher costs, MediaCom also worked with the client to shift from a dependence on creative agencies and leverage new opportunities offered by outsourcing (e.g. media partners) and crowdsourcing (e.g. influencers, bloggers, vloggers).

Regarding b), we knew that in order to conquer the minds and hearts of our young female executives, we needed to:

- a. establish the initial connection by inspiring her with our Change Destiny message – on how SK-II supports women who want active control of their lives and not be limited by anything, not even something as deterministic as their DNA
- b. involve her with a strong reason to believe that SK-II is indeed the only brand with the right elements to support her in this quest
- c. inform her on launches and promotions to trigger the actual counter visit and trial.

Our Change Destiny story was to be told sequentially through these steps, with different assets focusing on each one. They were grouped under the labels SEE, THINK and DO respectively, and allocated under each platform based on the best fit. For example, only long made-for-web copy (SEE assets) on high involvement or intimate digital formats such as pre-roll or social feed video can offer the in-depth audio-visual aspects necessary to inspire her with the SK-II story. On the other hand, display on PC and mobile (DO asset) is the ideal connection to call her to act now.

## Implementation and optimisation

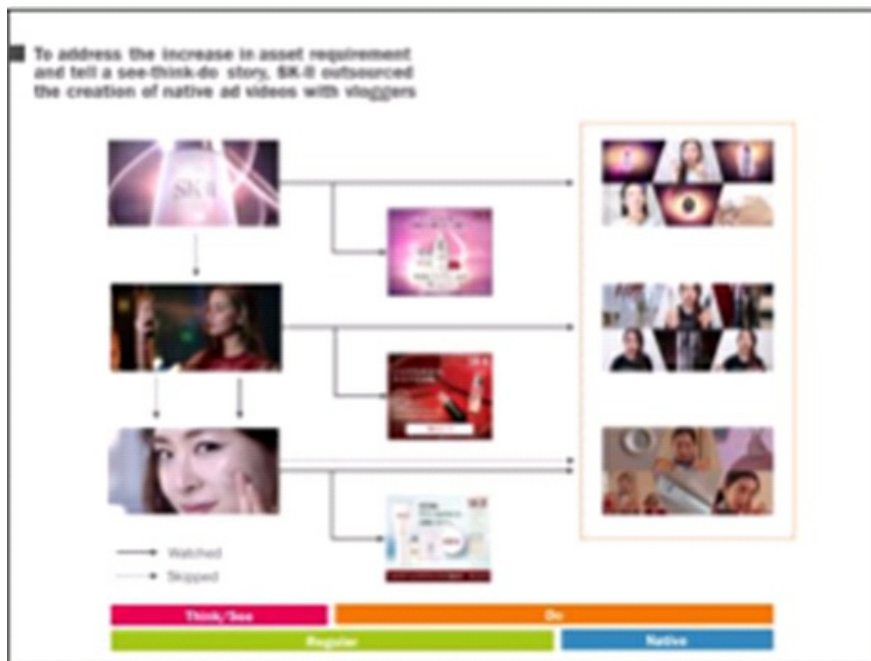
Online video played a hero role in our strategy. Its allocation increased tenfold and it had the best fit for our SEE assets. In the first quarter of 2015, SK-II brought the story of Misa Kuranaga, the first Asian ever to become the principal ballerina at the Boston Ballet, to the online video channels watched by Japanese young female executives and to their social newsfeeds (English version available here [https://youtu.be/\\_flyICicawo](https://youtu.be/_flyICicawo)). A native ad execution with The Huffington Post Japan showcasing the video on their website and social channels guaranteed it went viral among our audience.



The SK-II story continued with a THINK asset (<https://youtu.be/NyB2OQT8Wy8> [Japanese only]) distributed both online and on TV. We made sure that we reconnected with all SEE copy viewers to show them the THINK asset by leveraging retargeting wherever available. Finally, using geographical targeting, we re-engaged with women in specific regions in Japan to invite them to visit SK-II counters and events. There, skin concierges would analyse their current skin condition and DNA to simulate their 'skin destiny' with and without the support of SK-II.

Our video storytelling was boosted in the second quarter, when new SEE-THINK assets were available for a wider range of products. This allowed us to offer several points of entry in the system. If she thought that one copy's message was not relevant and chose to skip it, we retargeted her with another SEE-THINK message around a different SK-II variant. If she engaged with the content, we retargeted her with DO assets, such as a testimonial by a popular vlogger (e.g.: <https://youtu.be/zp3M5Qcl3RI> [Japanese only]) and banners with calls to action.

Meanwhile, print and out-of-home advertising offered another SEE connection. Inspiring real SK-II users showed their faces with no make-up on regular ads in magazines most read by our young executives as well as in huge posters in train stations that she frequents. TV-branded entertainment, magazine tie-ups distributed with scale as digital native ads, and PR had a THINK role, deepening this connection by offering education around the product and testimonials. All of this resulted in word-of-mouth and favourable evaluations in the review websites such as @cosme.



SEM/SEO had the key role of connecting consideration signals ignited by offline media to owned channels. Among owned channels, the SK-II Facebook page had a hub role, connecting several of the online assets created in the campaign. High engagement rates among existing fans worked as a signal, guiding us on which assets should be leveraged as paid posts. At the same time, our content crowdsourcing leveraging vloggers allowed us to have a robust video channel on YouTube, one of the places she looks for beauty how-to content.

## Measurement approach and results

When adopting system thinking, our promise to the client was to be accountable not only for traditional media deliverables – GRPs, impressions, reach, etc. – but for what the system as a whole is expected to deliver: business results. The latest Nielsen's MMM shows a 9.4% increase in ATL ROI since we started shifting spends to more efficient media in the fiscal year of 2013–2014 versus the previous period. When it comes to driving new users, we saw an even higher improvement of 26%.

An ROI-based optimisation meant we could simulate the amount of sales that would come as a direct result of media support. In the fiscal year of 2014–2015, we estimated a 16% increase in the contribution of media to overall sales. Throughout the year, we have been working closely with the client to validate our forecast. We are on track to deliver the promise and this let the client be confident enough to refer to media-generated sales as forecasted by MediaCom as part of their demand planning.

Having a whole system to be assessed also demanded changes in the way we tracked the success of specific campaigns and new menus. In the fiscal year of 2014–2015, we partnered twice with Millward Brown to conduct cross-media studies and directly measure the impact of media on purchase intention. This has allowed us to move with confidence to formats such as skippable online videos while course-correcting where necessary.

The changes above did not mean in any sense that we gave less importance to traditional metrics. Hygiene processes such as menu and creative optimisation based on cost/reach, CPC, CPV, CPE, etc. were in place. By extending the review from paid media metrics to only include owned channels (brand site bounce/dwell rates, ecommerce sales etc.), we were able to have an even more accurate and real-time assessment on the system

performance.

Finally, in order to truly boost our content and connections system, we started leveraging some of the traditional metrics in a new way. Search quality scores and the dwell rate of the articles we had produced guided us on where more content was needed and what was considered engaging by the audience. Organic engagement on social media gave us hints about assets that could be leveraged in paid media.

Overall, SK-II sales and new users both indexed well above the goals for the FY, by 120% and 55% respectively.

## Lessons learned

The success of this strategy comes from a change in paradigm that can be applied to any other brand open to innovation in thinking.

- Start from the consumer, acknowledging that they do not consume media in isolation and that the routes they can take from becoming aware of a product to the actual purchase are infinite nowadays. Only connected system planning therefore can cover such complexity.
- Starting from the consumer also means admitting that traditional brand communication covers only a small fraction of their content demand. Search and social instead offer great insights on consumer interests.
- The two elements above resulted in a well-told story. This case is evidence that storytelling is not just a buzzword, but indeed a business driver.
- It takes past learnings and constant tracking to design and optimise the content and connections for more efficacy and efficiency.

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