

The Market Logic of Luxury Skincare Products: A Study on the Synergistic Effect of SK-II's Pricing Strategy and Consumer Psychological Driving Forces

Yusen Wang

BinHai School of Foreign Affairs of Tianjin Foreign Studies University, Tianjin, 300270, China

Keywords: Case Analysis Method, Luxury Skin Care Products, Pricing Strategy, Consumer Psychology.

Abstract: This study takes the luxury skincare products market as the background and focuses on the synergy between SK-II's pricing strategy and the psychological driving forces of consumers. Through literature analysis and case studies, it explores the characteristics of the luxury skincare products market, SK-II's pricing strategies, and their interaction with consumer psychology. The research finds that SK-II has successfully established a high-end brand image through high-price positioning, differentiated pricing, and price maintenance strategies. At the same time, psychological factors such as consumers' self-identity, social identity, and emotional experience form a synergy with the pricing strategy, jointly promoting the brand's market success. This study provides theoretical basis and practical guidance for the pricing strategy formulation and brand management of luxury skincare products enterprises. The luxury skincare market, as an important part of the high-end consumer goods industry, has been in a growth trend and demonstrated unique market logic. With the upgrading of consumers' pursuit of a quality life, luxury skincare products not only carry out basic skin care functions but also become a part of identity symbols and consumption culture. In this market landscape, SK-II, with its high-end positioning, unique brand story and pricing strategy, has occupied an important position in the global luxury skincare market. Its success is not only reflected in the recognition of product efficacy, but also in the deep interaction between pricing strategy and consumer psychology.

1 INTRODUCTION

The development trends and competitive landscape of the luxury skincare market are currently receiving significant attention from enterprises. The current market environment requires luxury brands not only to maintain their unique brand charm and offer high-quality products but also to be flexible in responding to rapid market changes to meet the diverse needs of consumers in the new era (Wang, 2006). With the rapid development of the global economy and the increase in consumer purchasing power, the luxury skincare market is showing a vigorous development trend. In this market, pricing strategies are not only important means for enterprises to make profits but also key factors in shaping brand images and conveying product values. As a globally renowned luxury skincare brand, SK-II's successful pricing strategy and its synergy with consumer psychological drivers play an indispensable role in its position as a giant in the

international luxury skincare market. The influence mechanism of price on consumer psychology (anchoring effect) is indispensable in brand pricing. When consumers make decisions on whether to purchase products in live-streaming rooms, the hosts will provide a reference anchor value during the decision-making process, using a higher original price to create a sense of urgency and shake people's assessment of the product's monetary value (Zhao& Lu, 2024). SK-II, through in-depth research on consumer psychology, analyzed consumers' consumption motives and incorporated them into the consideration of product launch and pricing strategies, forming a close synergy with consumer psychological drivers. Regarding consumption motives, luxury consumers usually seek high-quality and exquisitely crafted products. For them, purchasing luxury goods is also an expression of personality and aesthetics (Meng, 2025). Consumers in the luxury market usually have a much higher brand loyalty than those in fast fashion or ordinary consumer goods markets. They often follow a

certain brand for a long time, and this loyalty usually stems from the brand's long history, superior quality, and unique brand story. In contrast, consumers in other markets tend to consider price and convenience more when making purchases (Meng, 2025). Current research on the luxury skincare market mainly focuses on brand building, consumer behavior, and marketing strategies, but there is a lack of systematic studies on the interaction between pricing strategies and consumer psychological drivers. The way of SK-II's pricing strategy building brand value perception, the reason that consumers are willing to pay high prices for it, and the method of price signals shaping consumers' psychological expectations remain issues worthy of in-depth exploration. This study aims to explore the characteristics of the luxury skincare market, analyze SK-II's pricing strategy and its interaction with consumer psychology, and thereby reveal the internal logic of the luxury skincare market. Through literature analysis, case studies, and other methods, taking SK-II's successful foothold in the luxury skincare market as an example, this study analyzes how consumer psychological drivers interact with pricing strategies in the luxury skincare market.

2 BRAND INTRODUCTION

2.1 The Origin of SK-II

SK-II was born in Japan and is the perfect result of Japanese skin experts applying cutting-edge technology to the development of skin care products. For 30 years, SK-II has continuously introduced innovative skin care technologies and products, encouraging women to embrace the "beauty of bare skin" and exude confidence with both radiant skin and a rejuvenated spirit. Since the launch of its first skin care product in 1980, SK-II has been a pioneer in combining advanced technology with pure natural essences in skin care products, introducing many groundbreaking products. The core ingredient of SK-II, PITERA™, has seven magical effects.

2.2 The Promotion of SK-II

In January 2015, SK-II launched the "Change Your Destiny" campaign in Japan and invited the renowned ballet dancer Misa Kuranaga to shoot a theme promotional short film for the brand. Misa Kuranaga used her personal experience to interpret the successful path of challenging oneself and

reversing fate, thereby supporting and encouraging female friends to bravely take control and change their own destinies. In March 2015, on Women's Day, SK-II launched the limited edition of the Facial Treatment Essence, representing the perfect combination of the rose symbolizing love and the classic PITERA™. In 2016, SK-II released a promotional short film titled "She Finally Went to the Matchmaking Corner" to raise awareness of women's rights, focusing on the real-life issue of Chinese women being pressured to marry before the age of 25. The short film "She Finally Went to the Matchmaking Corner" has been viewed over 46 million times and won the Glass Lion Award at the Cannes International Festival of Creativity, which honors efforts in promoting gender equality. In June 2017, SK-II launched the "I Never Expire" campaign to initiate a dialogue again, encouraging women to challenge social norms related to age and take control of their own destinies. SK-II premiered the short film "I Never Expire", a touching film about age-related pressure, which powerfully demonstrated the so-called "expiry date" many women experience and sparked a heated discussion on age pressure across social media in Asia. It is evident that SK-II is a luxury brand that focuses on anti-aging and skin rejuvenation with advanced skin care technology at its core.

3 STP ANALYSIS OF SK-II

The STP theory is one of the core strategic frameworks in modern marketing, consisting of three key steps: market segmentation, targeting, and positioning. This theory was proposed by American marketing expert Philip Kotler in his book "Marketing Management" and aims to help enterprises more effectively formulate marketing strategies and meet the needs of different consumer groups.

3.1 Market Segmentation

3.1.1 Geographic Segmentation

SK-II's market layout has distinct regional characteristics, mainly focusing on the Asian market, especially in regions such as China, Japan, and South Korea, where there is a strong demand for high-end skin care products. Consumers in these regions have a high awareness and pursuit of the efficacy and brand value of skin care products. Taking the Chinese market as an example, SK-II's

offline stores are mostly located in the bustling commercial areas of first- and second-tier cities in China. These areas usually have a large flow of people and the consumer groups there generally have strong purchasing power, high income levels, and high demands for quality of life. The decoration of offline stores is mostly exquisite and luxurious, and they exude an upscale atmosphere, which enables SK-II's offline stores to stand out in comparison with other stores.

3.1.2 Demographic Segmentation

SK-II's target consumers are mainly adult women, especially mature women over 25 years old, who have a pursuit of skin care product quality. The brand tends to target customers who pursue high quality, who attach great importance to the performance and effect of the products and are willing to pay a high price for them. At the same time, SK-II is gradually expanding into the young consumer and male markets. The demand for skin care products among young consumers (aged 20-30) is gradually increasing, and the male market has become a new growth point for SK-II. In addition, SK-II mainly targets middle and high-income groups, who are willing to pay a premium for its high-quality skin care experience.

3.1.3 Psychographic Segmentation

Luxury goods are consumer products that go beyond basic living needs and integrate functions such as use value, social and cultural symbolism, and personal display (Wiedmann, Hennigs & Siebels, 2009). Most existing studies are based on the perspective of motivation, suggesting that materialists are keen on luxury consumption to showcase their social status, identity, and self-worth (Fitzmaurice & Comegys, 2024). SK-II's target consumers value the quality of life and pursue a refined and elegant lifestyle. They tend to choose brands that can showcase their personal taste and social status, and SK-II's high-end image is highly consistent with their values. Through emotional marketing and cultural communication, SK-II has successfully attracted consumers with such concepts.

3.1.4 Behavioral Segmentation

SK-II focuses on addressing consumers' deep-seated skin care needs, such as anti-aging, skin brightening, and skin barrier repair. Through high-quality products and emotional marketing, SK-II has cultivated a group of highly loyal consumers. These

consumers not only have a high level of trust in the brand but are also willing to pay a premium for it.

3.2 Target Market Selection

3.2.1 Core Target Market

SK-II's core target market is mature women aged 25-35, who have a high demand for skin care products and usually have high income levels and are willing to pay a premium for the brand.

3.2.2 Regional Target Market

SK-II's market is mainly distributed in East Asia and Southeast Asia. Consumers in these regions have a high demand for and acceptance of skin care products. Thanks to the rapid economic growth and the expansion of the middle class in East Asia and Southeast Asia, as well as the long-standing tradition and high regard for skin care in these cultures, the demand for luxury skin care products in this region has become increasingly intense, making it the third-largest luxury consumer region globally. Reports show that in the entire Asia-Pacific region, more than half of the respondents believe that wearing luxury brands is a way to display their social status: 67% in China, 75% in Indonesia, 70% in Thailand, and 67% in India. The age range of luxury consumers in China is from 20 to 50 years old, while in Europe and America, it is generally around 30 to 40 years old. Moreover, Chinese consumers aged 20 to 30 are becoming the main force in luxury consumption, and the number of people in this age group is 11 times higher than that in Japan (Wang, 2006).

3.3 Positioning

3.3.1 Shaping a High-End Brand Image

In the highly competitive skin care market in China, SK-II has increased its brand awareness and expanded its market share by opening stores both online and offline, thus entering the view of a wide range of consumers. Gen Z consumers not only share their knowledge and opinions and entertain themselves but also shop on social networks. Media channels influencing Gen Z consumers the most to choose luxury goods include social networks, mobile applications, the press, and celebrities (Juodzbalis, 2018). In its online promotion, taking TikTok as an example, SK-II has released a large number of close-up videos of the skin condition of celebrities

and athletes using SK-II products on its brand account, allowing consumers with skin care needs to directly experience the product's effects. The halo effect of celebrities and athletes has enhanced the high-end image in consumers' minds. Additionally, it has used the slogan "Simple, I Dare" as the video cover, attracting widespread attention and increasing brand awareness.

3.3.2 Product Function and Technology Positioning

The core ingredient of SK-II, Pitera™, is a natural fermentation product made from yeast. It contains various vitamins, minerals, amino acids, and organic acids, which can deeply nourish the skin, promote cell renewal, and enhance skin luster. Pitera™ also has a strong moisturizing ability, locking in moisture and keeping the skin hydrated. Moreover, Pitera™ can improve skin texture, reduce fine lines and wrinkles, making the skin look younger and healthier. Besides Pitera™, SK-II products also contain other beneficial ingredients.

3.3.3 Emotional and Cultural Positioning

SK-II continuously innovates in product iterations, aiming to provide consumers with a more complete purchasing experience. SK-II has refined its product functions and launched products such as facial cleanser, toner, facial essence, whitening essence, and face cream, providing more choices for consumers to purchase based on their skin care needs. SK-II has also launched various limited edition gift boxes. Taking the Valentine's Day gift box in 2024 as an example, it connects with consumers through emotional appeals, giving rise to the idea that "receiving an SK-II gift box usually symbolizes care and protection for women." SK-II has also enhanced the favorability of specific consumer groups towards its brand by releasing multiple public service advertisements that speak for women.

4 ANALYSIS OF SK-II'S PRICING STRATEGY

4.1 High-End Brand Positioning

4.1.1 High-End Brand Image

Since its establishment, SK-II has positioned itself as a high-end skincare brand, and its pricing strategy

is highly consistent with its brand positioning. The high-end brand positioning is not only reflected in the product prices but also conveyed through advertising and user experience in various aspects.

4.1.2 Brand History and Culture

The brand history and culture of SK-II are important supports for its brand heritage. The discovery story of its core ingredient, Pitera, and the historical development of the brand have attracted consumers' interest in learning about the brand and enhanced their trust and loyalty to it.

4.2 Product Value and Uniqueness

4.2.1 Core Ingredient Pitera

Pitera is the core substance ingredient of SK-II products, which has multiple functions such as anti-oxidation, moisturization, and repair. This unique substance makes SK-II stand out in the competition with other luxury skincare products.

4.2.2 Research and Development Investment

SK-II has made significant investments in product efficacy and safety, ensuring its products' efficacy in the luxury skincare market and seeking opportunities to surpass competitors. This also provides a strong support for the high prices of SK-II products.

4.2.3 Rich Product Range

SK-II offers a wide range of products, catering to diverse purchasing needs of different customers. The product range includes essences, face creams, masks, etc. Each product category undergoes strict quality control, greatly ensuring customers' interests and SK-II's commitment to protecting consumers' rights.

4.3 Market Demand and Consumer Psychology

4.3.1 Target Consumer Group

In economics, luxury goods are generally regarded as representing an owner's refined and elegant lifestyle, fulfilling not only practical needs but also spiritual ones. The target customer group for such products is often the elite class with high income and social status (Zhang, & Wang, 2020). SK-II positioned its products as "beautiful and effective" skincare products from the beginning. The exquisite

design of the products plays a crucial role in attracting consumers who want to showcase their refined and elegant lifestyle through SK-II, meeting the demands of the luxury skincare market.

4.3.2 Consumer Psychology

SK-II's high pricing strategy creates a sense of luxury for the brand, while also satisfying consumers' needs for identity recognition and self-reward. Social status is a concept that exists in human group interactions and is difficult to exist independently. Judgments of an individual's social status often depend on the observer's perception and inference. Therefore, the purpose of showcasing social status is to make the observer infer a high social status (Anderson, Hildreth & Howland, 2015). SK-II's high-end brand image enables consumers to concretize their social status, creating a mutual drive with consumer psychology, enhancing consumers' trust in the brand, and thereby expanding the brand's influence and market size.

4.3.3 Brand Loyalty

SK-II enhances consumers' brand loyalty through membership programs and customized services. Consumers can register as members through online and offline platforms and enjoy more prestigious services than ordinary customers. They can also enjoy discounted prices and various festival gifts during brand events.

4.4 Pricing Strategy

4.4.1 Promotional Activities

Although SK-II is positioned as a high-end skincare brand, it still conducts promotional activities on both online and offline sales platforms. For instance, during festivals such as "Double Eleven", anniversary celebrations, and Valentine's Day, the brand releases limited-edition gift sets and offers discount coupons and gifts to consumers. However, the products themselves do not undergo significant price reductions to maintain its luxurious and high-end market positioning.

4.4.2 Exclusive Benefits for Members

SK-II provides personalized services and greater discounts to its members to enhance consumer loyalty. This also prevents the impact of high brand prices on sales and maintains SK-II's luxurious image.

4.4.3 Sample Trials Online and Offline

SK-II uses the sale and experience of sample products in its product sales to attract consumers. Through online platforms, consumers can purchase SK-II sample products at extremely low prices to understand the product's efficacy and decide whether to purchase. Offline, consumers can go to stores for trials and directly experience the product's efficacy. The launch of SK-II sample products not only expands the brand's influence but also protects consumers' rights and optimizes their purchasing experience.

5 THE INTERACTIVE RELATIONSHIP BETWEEN SK-II'S PRICING STRATEGY AND CONSUMER PSYCHOLOGICAL MOTIVATIONS

5.1 The Interaction Between High-Price Strategy and Consumer Psychology

5.1.1 Psychological Motivations: Identity and Self-Reward

The high price of SK-II makes it synonymous with "luxury". The formulation of SK-II's high-price strategy is usually measured by whether consumers are willing to pay for it. SK-II's marketing strategy precisely captures the psychology of its consumers. By comparing itself with its competitors such as Lancôme, La Mer, and Clé de Peau, it highlights its powerful skin care effects. Through endorsements and trials by celebrities and models, it further enhances consumers' brand loyalty, thereby promoting consumers to purchase SK-II products to achieve self-identity and self-reward.

5.1.2 Scarcity Marketing

SK-II launches limited-edition gift boxes on both its online and offline platforms to emphasize the brand's luxury. By creating a sense of scarcity, it endows products with emotional value, interacts with consumers' psychology, and enhances their purchasing desire, thereby boosting sales. For the wealthy, even essential goods or services far exceed the needs for maintaining life and health. The goods

or services they consume are carefully selected and specially processed. At the same time, the honor principle plays a crucial role. Any improvement in consumer goods or services that conforms to the honor principle will be welcomed by the wealthy and will continue. Using these more exquisite consumer goods or enjoying these more considerate services is a proof of their wealth, and consumption becomes a glorious act (Gu, 2023). SK-II's products meet market demands and, through scarcity marketing, distinguish consumers with different purchasing powers, enabling consumers to purchase products based on their own purchasing power and enhancing their loyalty.

5.2 The Interaction Between Product Value and Consumer Psychology

5.2.1 Product Technology and Efficacy

One of the strong supporting factors for SK-II's high price is its core technology cost, Pitera. Pitera is SK-II's patented ingredient, a liquid extracted from a special yeast called *Saccharomyces Ferment Filtrate* during the fermentation process. It contains essential natural components such as free amino acids, minerals, organic acids, and inorganic acids for healthy skin, and has excellent moisturizing and special hydrating functions. Moreover, the formation of this substance is extremely difficult, which makes SK-II one of the most unique brands in the luxury skincare market. Strong technological support lays a solid foundation for the high price of SK-II products and enhances consumers' trust and loyalty to the brand. This has led to a large number of "repeat customers" for SK-II, which is a powerful proof of its status as a luxury skincare brand.

5.2.2 Brand Story and Culture

The origin of SK-II and the discovery of Pitera not only laid the foundation for SK-II's core technology but also endowed the brand with a mysterious and precious cultural heritage. Consumers, through using SK-II products, not only pursue skin improvement but also yearn to experience the "miraculous transformation" and "confident beauty" conveyed by the brand. This resonance makes SK-II a symbol in the high-end skincare field, satisfying consumers' dual expectations for quality, technology, and emotional value. It has a large number of loyal consumers in the Asian and Southeast Asian markets and is gradually expanding into the European and American markets, attracting a large number of

European and American consumers interested in Asian technology.

5.3 The Interaction Between Regional Pricing Strategy and Consumer Psychology

5.3.1 Regional Differentiated Pricing

SK-II formulates differentiated regional pricing strategies based on the consumption levels and market environments of different regions. For example, the pricing in the Chinese market is higher than in other Asian markets, which is in line with the purchasing power of Chinese consumers.

5.3.2 SK-II Pricing Aligns with Consumers' Purchasing Power

The offline stores of SK-II are typically located in high-end shopping malls and large duty-free shops, which aligns with the activities of its target consumers and attracts more consumers who match the brand. Zhou (2025) proposed that differentiated pricing, which sets different prices for the same product or service based on consumers' different needs, purchase intentions, and payment capabilities, has become one of the commonly used marketing strategies for enterprises. This pricing strategy not only meets consumers' personalized needs but also helps enterprises allocate resources more effectively and improve market efficiency.

6 CONCLUSION

There is a close interactive relationship between SK-II's pricing strategy and the psychological driving forces of consumers. The brand satisfies consumers' needs for identity recognition and self-reward through high pricing strategies, scarcity marketing, product technology and efficacy, brand stories and culture, etc. Consumers are more willing to accept the brand's high prices due to these psychological driving forces, forming a virtuous cycle. This interactive relationship not only consolidates SK-II's position in the high-end skincare market but also provides a favorable support for its long-term development. Through the establishment of a brand story with profound cultural background, an image of high-end luxury, and the introduction of product functions, SK-II has achieved a huge success in the Asian market and shown signs of growth in the European and

American markets. SK-II covers mature women, young consumers, and the male market. With a clear brand positioning, SK-II has established a unique high-end image and technological efficacy positioning in the luxury skincare market. This series not only meets consumers' functional needs but also establishes a deep connection with consumers through emotional and cultural values. SK-II's success lies in its clear high-end positioning, emphasizing luxury through high pricing strategies and a high-end brand image to attract consumers who pursue quality and status; the uniqueness of its products, with Pitera as the patented ingredient and Asian technology at the core, creating an irreplicable product in the market; precise control of consumer psychology, satisfying consumers' needs for identity recognition and self-reward through scarcity marketing, emotional resonance, and identity recognition; innovative promotion, attracting consumers through celebrity endorsements and membership systems, and enhancing brand loyalty; high-end sales channels, opening offline stores in high-end malls and large duty-free shops, and maintaining consistent prices to prevent damage to the brand image.

This study specifically analyzed the interactive relationship between SK-II's pricing strategy and the psychological driving forces of consumers. Through STP analysis and pricing strategy analysis of SK-II, it explained how SK-II forms driving forces with consumers' psychology, providing a theoretical basis for the construction of connections between other brands and consumers. However, existing research often focuses on macro-level market analysis and lacks in-depth research on micro-level consumer behavior and demand changes. Future research can delve into how luxury brands utilize pricing strategies and consumer psychology to expand market share and conduct comparative analyses of their outstanding performance in diverse market environments.

REFERENCES

- Anderson, C., Hildreth, J. A. D., & Howland, L., 2015. Is the desire for status a fundamental human motive? A review of the empirical literature, *Psychological Bulletin*, 141(3), 574 - 601.
- Fitzmaurice, J., & Comegys, C., 2006. Materialism and social consumption, *Journal of Marketing Theory and Practice*, 14(4), 287-299.
- Gu, D.R., 2023. Theoretical justification and institutional design of entertainment consumption tax, *Journal of Shanghai University of Finance and Economics*, 25(2).
- Juodzbali, A., 2018. Factors influencing the purchasing habits of Gen Z luxury consumers, *Shanghai International Studies University*.
- Meng, Y.F. 2025. Research on the Consumption Behavior of College Students in the Luxury Footwear and Clothing Market, *China Leather*, 1-5.
- Wang, H. 2006. The era of luxury skincare products is quietly approaching, *Economic Information Daily*, (012).
- Wiedmann, K. P., Hennigs, N., & Siebels, A., 2009. Value-based segmentation of luxury consumption behavior, *Psychology and Marketing*, 26(7), 625-651.
- Zhang, J.L., Wang, M.M., 2020. Research on product strategy and pricing of luxury companies considering the characteristics of new era consumers, *Journal of University of Science and Technology of China*, 50(04), 497-515.
- Zhao, L.H., & Lv, J., 2024. Research on the impact of live-streaming e-commerce marketing strategies on consumers' psychology and behavior, *Enterprise Reform and Management*, (21), 103-105.
- Zhou, Y., 2025. Analysis of differentiated pricing strategies and market effects driven by consumer choice behavior, *China Economic and Trade Guide*, (04), 112-114.