

# Customer

Customer Loyalty Strategy



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## Knowing More about Customers —

# Expansion of Customer Base and Improvement of CRM Activities

### Sales support through scientific approach

A customer loyalty strategy is primarily intended to organize about 4.3 million identifiable customers holding Daimaru- or Matsuzakaya-branded cards and ensure steady sales. To this end, we need to understand the buying behavior of individual customers and continue to expand our customer base by encouraging customers to visit our stores. Daimaru Matsuzakaya Department Stores operates a customer information system “J-CIS” as an effective tool to scientifically support frontline sales staff working on such “customer relations.” Since J-CIS is linked with our MD information system and we can quickly get a grip on the attributes of customers and their changes including outflow and defection based on the information obtained at the point of sale, it serves as an important infrastructure for sales staff to strengthen relations with customers. Buoyed by these CRM (Customer Relationship Management) activities and the stronger efforts to cultivate new card members, the total number of the identifiable customers of Daimaru Matsuzakaya Department Stores for fiscal 2011 rose by 7.5% from the previous year and the percentage of sales to these individual cardholders to total sales was 71.3%, up 2.2 points from a year earlier.

### Enhancement of communication tools

In fiscal 2008, as an effective tool to encourage customers to visit the stores instead of newspaper advertisements and inserts, Daimaru Matsuzakaya Department Stores launched email delivery service to provide “MY Mail Members,” the company’s card members registering their mobile phone email addresses, with good buy information of the sales sections that suit their likes and tastes. In fiscal 2011, we better personalized

this service so that the members can receive information on new arrivals and events directly from their desired brand shops (J-CIS Mail).

The innovative “MMS Mail” service is also available in all Daimaru and Matsuzakaya stores. The stores’ special information of the day is delivered to MY Mail Members’ mobile phones based on their attributes and buying history within five minutes after they visit the stores and insert their cards in the stores’ welcome-point-giving machines (MMS: Multimedia Station). It is one of promotional tools that stimulate customers’ buying motivation and increase the frequency of their visit, which ensures an increase in customer circulation and sales per customer.

At present Daimaru Matsuzakaya Department Stores has approximately 510,000 email members and more than 3.7 million card members who can register their email addresses, which means that there is enough room to expand the membership in the future. Since fiscal 2010 the company has sought applications for “Moba-Mate Members” whose membership non-cardholders can receive by registering only their email addresses and delivers them weekly email magazines containing bargain information of Daimaru and Matsuzakaya stores to encourage them to become its card members.

### Collaboration with specialty zones

When we develop specialty zones as a core of our new department store model, we try to organize their new visitors as their own card members to expand our customer base. This effort has achieved great results. The popular “Ufufu Girls” representing specialty zones issues “Ufufu Girls Card” at five stores including Shinsaibashi, Kyoto, Kobe, Umeda and Nagoya stores. As a result of continuing to deliver their

own email information on members-only events, extra point offerings and others, the current card membership has reached approximately 60,000 people. Among them, the number of young and around 30-year-old identifiable customers of Umeda store, which opened in March 2011, and the amount purchased by them increased by 46.9% and 26.3% respectively compared to fiscal 2009, when the store’s floor expansion work has not started yet, partly because the number of new members of Ufufu Girls Card exceeded 22,000 people in the first year. Thus they fulfill their role as a strong tool to attract and retain young women as their target customers. Nagoya store, which newly opened Ufufu Girls floor in this fiscal year, strengthens the same effort, and other stores that issue Ufufu Girls Card are steadily gaining loyalty from their new customers as expected. While analyzing the buying patterns of our customers from every angle and reflecting them in our sales floor planning, we will further improve CRM activities to further expand and enhance our customer base.

Changes in the number of identifiable customers of Daimaru Matsuzakaya Department Stores

