

Customer
Customer Strategy



Diversify Customer Touch Points

Expansion of cardholders

Amid diversifying consumer needs and consumer behavior, we are expected to understand our customers accurately and deeply and build and maintain relations with them. Daimaru Matsuzakaya Department Stores is working on customer loyalty strategy through customer relationship management (CRM) in an effort to continuously build relations with customers and enhance customer satisfaction as well as to increase sales, profits and corporate value.

The Group issues various cards including credit cards such as Daimaru Card and Matsuzakaya Card, reward cards for cash purchases such as Daimaru D Card and Matsuzakaya M Card, and Ufufu Girls Card and runs various membership organizations including Bridal Circle and Daimaru Matsuzakaya TomonoKai. We take initiatives to encourage sign-up for these cards and membership organizations and acquire as many new members (identifiable customers) as possible. As a result, the total number of identifiable customers of Daimaru Matsuzakaya Department Stores as of the last day of February 2014 increased by 1.5% from the previous year to approximately 4.7 million people.

Help build relations with customers

While inviting customers to sign up for our cards and membership organizations, we analyze the purchase information of our cardholders and provide them with shopping and event information that suits their respective lifestyles to deepen relations with customers and enhance customer satisfaction.

Specifically, Daimaru Matsuzakaya Department Stores uses a customer information system “J-CIS” to scientifically support frontline sales persons who are working on “building relations with customers.” Since J-CIS is linked to MD information, we can get an early grip on the attributes of customers and changes in their purchase behavior. It also serves as an important infrastructure for sales persons to

strengthen relations with customers. Buoyed by these active CRM initiatives, the percentage of sales to individual cardholders to the total sales of Daimaru Matsuzakaya Department Stores for fiscal year 2013 was 71.2%, marking the third consecutive year of more than 70%.

Direct access to customers

In fiscal year 2008, as an effective tool to attract customers to our 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 shopping information that suits their needs. In fiscal year 2011, with the aim of better personalizing this service, we launched “J-CIS Mail” service that brands and shops email information on their new arrivals and events directly to the members on request. We also welcome non-cardholders’ sign-up for “Moba-Mate Member.” Just by registering their email addresses, they can receive email magazines containing bargain information of Daimaru and Matsuzakaya stores. Through such email delivery, we strive to strengthen relations with customers.

Use of new communication tools

In the meantime, we put forth an active effort to “increase customer touch points” using new communication means such as diversified digital devices, including rapidly prevailing smartphones, and social media.

In fiscal year 2013, Daimaru Matsuzakaya opened its official Line account. Line is a popular platform for smartphone-based digital marketing. We gained more than 3.5 million “Friends” (those who added our account) (as of May 2014) using the stickers of our character “Sakura Panda” as a hook. We deliver various information through this platform to drive customer traffic to and purchases in our stores.

While delivering information and contents and

communicating in a manner tailored to the respective media characteristics, we will acquire know-how and strengthen relations with customers to develop customers in the medium- and long-term as well as to drive customer traffic to and purchases in our stores in the short term.

By further improving CRM activities, we will expand our customer base, and at the same time, we will analyze the buying behavior of our customers from every angle and reflect such analysis in sales floor planning to maintain and further expand our customer base.

Step up efforts to cater to foreign visitors to Japan

Meanwhile, 10.36 million people visited Japan from overseas in 2013, topping 10 million for the first time. The government has set a target of 20 million visitors for 2020 when the Tokyo Olympics will be held. From October 2014, tax exemption will be expanded to cover cosmetics and food in order to further drive purchases by foreign tourists to Japan.

Amid these movements, we position the strengthening of efforts to cater to the “foreign tourist market,” which is expected to greatly expand, as one of the priority strategies of our department store business.

Tax-free sales of Daimaru Matsuzakaya Department Stores and Hakata Daimaru for fiscal year 2013 jumped by 88% year on year. We will promote our initiatives both in software and hardware to double tax-free sales in fiscal year 2016, the final year of the medium-term business plan.

Specifically, we will increase multilingual store signage and translation services and introduce free Wi-Fi services. As for the tax exemption procedures, which were manual, we are introducing a system to improve the speed of processing. And at the same time, we will strengthen various inbound promotions including discount coupons to attract foreign tourists to our stores and media advertising in Japan and overseas.