

## Create More Customer Touch Points

### Organically connect with six million customers as our assets in physical stores and online

J. Front Retailing Group includes department stores, Parco and Senshukai and has various channels such as physical stores in major cities across Japan and the Internet as well as excellent customer assets including more than six million cardholders. We organically align them with each other to connect with customers anywhere, anytime and provide products, services and information seamlessly. We are conducting various trials to realize our own omnichannel retailing with the addition of coordinates and recommendations.

In fiscal year 2016, we will work on the radical overhaul of department store's online sales and the development of original products as important tasks.

### Greatly improve site design and usability

Our department store's online sales had many problems to solve in terms of product range, service, system and others.

Therefore, we will renew our department store website in the first phase and replace systems this fall using Senshukai's e-commerce expertise. Specifically, the first phase of renewal aims at the renewal of the site design; the improvement of usability through the overhaul of user interface and order processing flow; the strengthening of merchandising through the expansion of product range and the partial release of product selection plans; and the improvement of services by enabling customers to specify earlier delivery date and time.

The site design will be changed to fashion-conscious, sophisticated one with feminine sensitivity. In addition, we will also drastically overhaul the strength shown with images and navigation and search functions while benchmarking in various ways.

With respect to usability, since the current flow was designed mainly to receive orders for mid-year and year-end gifts, it was slightly hard to use for many customers who often buy fashion items, accessories and

so on online for their own use. We will overhaul that and create an order processing flow which is greatly easier to use in either case of ordering items for shoppers' own use or gifts.

With respect to product range, we will further expand our line of food products in "depachika," or department store basements, by increasing our offering of wine and featuring its related goods while strengthening our product appeal in the homeware category, which is positioned as a future growth market, through the alliance with Senshukai and other measures.

Next spring the department store website will significantly expand its product range partly through integration with Click & Collect and make its full-scale grand opening.

### Jointly develop "omnichannel fashion brands" with Senshukai

The Company and Senshukai remodeled Senshukai's original women's fashion brand Kcarat and sell the products in the physical stores of Daimaru Matsuzakaya Department Stores, Senshukai's catalogs and on the e-commerce sites of both companies. The new Kcarat is the first of so-called "omnichannel fashion brands" whose product planning, manufacture, promotion, marketing and customer data use are jointly conducted by the two companies to meet increasingly diverse customer needs and buying styles. While retaining the original image and values of the brand, we widened the ranges of prices and tastes using the strengths of the two companies. It caters to a wide variety of customers ranging from mail order customers to department store customers as well as adapts to the balanced consumption and diversified buying methods of a single customer. With a view to not just our own stores and websites but also standalone stores and other companies' commercial facilities and e-commerce sites, we will strive to increase brand strength and sales.

### Click & Collect offers more brands

The number of the brands offered by Click & Collect, which allows customers to choose to receive the items purchased on the e-commerce site at home or stores according to their lifestyles, increased to as

many as 145 as of May 2016 with the addition of Kcarat, a popular collaborative brand between Senshukai and Daimaru Matsuzakaya Department Stores. While developing closer links between this e-commerce site and Snap Diary, a website on which shop staff post product information and comments, we will increase the number of brands in our offering in preparation for the integration with the department store website in the next spring.

### Parco omnichannel strategy

Parco also offers various web-based services to maximize the appeal of its stores. With the Kaeru Parco service, customers can reserve the items on the Parco shop blog for pickup in stores or order such items for home delivery. It is intended to meet the needs of customers who want to make a buying decision after looking at or trying on actual items in stores.



Through the smartphone application Pocket Parco, customized information including the shop blog and store event information is displayed. In addition, users receive virtual coins, which are redeemable for shopping coupons, when visiting stores or purchasing with pre-registered credit cards. In order to further improve these initiatives, we take some actions including regular web-based customer service training to enhance the ability to serve customers using the Internet.



Pocket Parco

