Management Strategy Department Store Business_03 Prime Life Strategy

A Prime Variety of Hospitality



Significant expansion of luxury items and watches

Daimaru Matsuzakaya Department Stores is strengthening store renovations to expand prime content with the aim of attracting a wider range of affluent customers. In fiscal 2022, approximately 40% of the total investment in sales floor remodeling was focused on luxury items, watches and art-related items. Specifically, the watch section on the 5th floor of the north wing of the Nagoya store was completely renovated in July, while the Rolex shops in the Umeda and Tokyo stores underwent extensive renovations in September and December, respectively. In the luxury goods sector, the freestanding shop near the Kobe store was remodeled to open the Louis Vuitton boutique in March, the Chanel boutique on the 2nd floor of the Kobe store was expanded and remodeled in July, and the 1st floor of the south wing of the Nagoya store was remodeled to open the Loewe boutique in November.

A stronger commitment to art

Each store of Daimaru Matsuzakaya Department Stores is also working to strengthen large-scale art events. In fiscal 2022, we held a nationwide traveling art fair "D-art,ART" with the producer who worked on Art Fair Tokyo. In addition, we are sending customers from Daimaru Matsuzakaya Department Stores to Parco's art events and conducting pre-sales, etc., to demonstrate the Group synergies.

As for art, the art gallery on the 8th floor of the Kobe store was renewed in October, and the 7th floor of the Ueno store was renovated in March to expand the art gallery and create a new art gallery and art space.



Watch section. Nagova store



Special hospitality space

In order to build stronger relationships with gaisho customers, each store has a lounge with its own unique features as a special hospitality environment. It is an initiative that is conscious of coexistence with the local communities, such as using local materials for the interior. It has been well received as a special hospitality space, not only as a place to relax, but also as a gallery.



D's Lounge, Daimaru Kobe store

Successful digitalization of touch points

Daimaru Matsuzakaya Department Stores operates a closed website called "connaissligne," which is unique to gaisho, introducing special merchandise unique to gaisho and providing a variety of information. In fiscal 2022, we gained over 18,000 new members, bringing the total membership to over 100,000. The members of connaissligne account for 32.8% of all gaisho customers, which means that we have digital touch points with about one-third of all gaisho customers.

In addition, by extracting potential customers through the analysis of gaisho customer data, we have launched a purchase prediction model for art following high-end watches and special luxury items. In fiscal 2022, we were able to achieve sales of 2.2 billion yen by approaching prospective customers through data analysis. We are currently developing data scientists who will be responsible for such data analysis, and in fiscal 2022, the number of data scientists increased by 11 to 14 throughout the company. In the future, we will further improve the accuracy of our analysis to increase the hit rate.



Closed website for gaisho customers 'connaissligne"

Expand our customer base by strengthening online sign-up

Daimaru Matsuzakaya Department Stores has established an online sign-up system to promote the development of a customer base that prefers digital channels, especially among younger customers. The online sign-up rate in fiscal 2022 was 76.2% (57.9% in fiscal 2021), far exceeding the paper-based sign-up rate.

The number of the accounts of customers in their 20s to 40s accounts for 46.1% of the total number of accounts opened through online sign-up, and the company has been successful in attracting young, good customers. As a result of these efforts, the percentage of sales from gaisho customers in their 20s to 40s has been steadily increasing, accounting for approximately 30% of total sales in fiscal 2022. We recognize that the acquisition of young affluent customers will contribute to sustainable sales growth.

Gaisho sales increased by double digits compared to before COVID-19

Currently, the driving force behind the Department Store is the expansion of gaisho sales. Gaisho sales in the Department Store Business in fiscal 2022 totaled approximately 188.0 billion yen, a 16.7% increase over the same period last year, and continue to show significant growth. Compared to fiscal 2019, they were up 10.0%, a double-digit increase, which is already significantly higher than the pre-COVID-19 level.

Daimaru Matsuzakaya Department Stores has been strategically strengthening gaisho sales ahead of competitors for about 10 years, and has steadily achieved results. We have organized a dedicated card development team throughout the company and have continuously developed more than 10,000 cards every year. The feature of our gaisho strategy is to "capture wealthy customers of a wider age range and provide prime content that allows them to continue shopping."



Daimaru Matsuzakaya Department Stores gaisho (credit) sales trends

Gradually expand products and services not available in stores

In addition to product sales, we are expanding our commission business through alliances to provide services to our gaisho customers, such as condominium brokerage, luxury car sales, remodeling, and housekeeping support. We will continue to strengthen our content by strengthening highly scarce products, developing products and services that resonate with customer insights through the development of solution services, and other means. In addition, we will strive to improve lifetime value by introducing financial and insurance products in the Payment and Finance Business in the Group.