

Independent Operation/  
Original Merchandise  
and Services



SOFUOL

SOFUOL stands for Sophisticated Full-length Office Lady. Targeting working women mainly in their 20s and 30s, the brand offers likable and sophisticated styling to cater to their business, commuting and weekend fashion needs.

Available at: Shinsaibashi, Umeda, Tokyo, Kyoto, Kobe, Sapporo, Suma, Nagoya and Ueno stores and Hakata Daimaru, Shimonoseki Daimaru and Kochi Daimaru

# Responding Quickly to Changing Customer Needs and Seeking Originality

The role of independently operated retail sections of which sales account for about 20% of total department store sales is differentiation and characterization through the quick change of product selections and displays in response to market needs changing day by day and the offering of merchandise that is not included in the assortment of shops.

Such non-partitioned open space is scalable to customer needs, and there, we can change merchandise mix and sell goods across shop boundaries. Making the best use of these strong points, we will respond to changes flexibly and differentiate ourselves overwhelmingly from competing department stores by using our unique merchandise offerings and sales and service capabilities as a weapon.

In these sections, "central operation" is implemented. The planning and management of merchandising are centralized in the headquarters, while stores are dedicated solely to sales and services.

## Independently edited sections

Buyers plan merchandise mix and offering based on market changes, while Daimaru Matsuzakaya Department Stores controls the assortment based on store information to offer the right item in the right quantity at the right time and right price (offer what customers want in the quantity they want and at the price they want when they want it). We will respond quickly to market changes at item and SKU level and complement the missing products, which is impossible for shop operation type sections alone.

A typical example is a women's shoes department. During fiscal 2009, we introduced "highly sensitive and low-priced" merchandise fast to respond to changes in customers' values on prices and the missing entry markets. As a result, the sales share of low-priced pumps reached 15% and we could attract many new customers in their 20s and 30s. We need to meet ever-changing market needs and review the balance of low price range every period. It is the strength of these sections to be able to do this.

In addition, "Season Message" offering women's wear and accessories to women in their 50s, "Parts on Parts" offering women's wear and accessories mainly including denim items to young adults, women's accessories departments offering seasonal items including hats and scarves and men's accessories departments are also positioned as independently edited sections.

## Private brand (PB)

Concerning private brands (PB), we are involved in the whole SCM (supply chain management) process from the stage of product planning. Basically, they are priced at 20% off the prices of national brands (NB). Lately, however, we expand our focus to a low price range of 50% off national brand prices to satisfy customers who are becoming more price-conscious.

After management integration, men's wear "Trojan" and women's wear "Sofuol," both of which had been Daimaru's private brands, were introduced to Matsuzakaya Nagoya and Ueno stores to expand the

PB offering of JFR Group. We will leverage our PBs in terms of: (1) characterization and differentiation from other companies, (2) the increase of profitability, and (3) human resource development. We will review logistics, information systems, sales promotion, sales floor environment, sales activities and inventory control as well as product development in a comprehensive manner and accelerate our efforts to restructure the supply chain.

## Collaboration

Daimaru Matsuzakaya Department Stores and World Co., Ltd., an apparel company achieving good results in SPA brand strategy, established a new business model and collaborate to offer a women's wear brand "Esche." Forming a virtual joint business unit as business partners, instead of the traditional supplier-buyer relationships, Daimaru Matsuzakaya Department Stores and World share information and clarify the distribution of profits to collaborate using the core competence of each company, that is, Daimaru Matsuzakaya Department Stores' ability to operate stores and World's ability to develop and supply merchandise, instead of the conventional way of developing PB apparel products through OEM. In the business process from product planning to selling out, the two companies are working together to ensure PDCA (plan-do-check-action) cycle and respond quickly and accurately to customer needs and wants. Targeting plugged-in and trend-conscious youthful women in their 40s, we offer good quality, elegant and reasonable "outing and work clothes" following moderately trends.

## TROJAN

Daimaru created this brand as pioneering men's ready-made garments in Japan in 1959. Sensible businessmen continue to favor it as "battle dress adapting to the times" for its refined urbane image. Putting comfort first, the brand offers safe and reliable absolute quality with excellent materials and tailoring at acceptable prices.

Available at: Shinsaibashi, Umeda, Tokyo, Kyoto, Kobe, Sapporo, Suma, Nagoya and Ueno stores and Hakata Daimaru, Kochi Daimaru, Shimonoseki Daimaru and Tottori Daimaru



## esche

This is a total coordinate brand for youthful trend-conscious women in their 40s featuring high quality, refinement and reasonable prices. It offers simple and basic elegance-oriented street clothes following moderately trends.

Esche is available at: Shinsaibashi, Umeda, Tokyo, Kyoto, Kobe, Sapporo, Suma, Nagoya, Ueno and Shizuoka stores and Hakata Daimaru, Kochi Daimaru, Shimonoseki Daimaru and Tottori Daimaru

Esche L is available at: Umeda, Tokyo, Kyoto and Sapporo stores



# CUSTOMER'S VIEW



# Customer's View Project—Forming the Voices of Customers into Beautiful Shapes

As part of the efforts to implement the “customer-first principle,” J. Front Retailing carries on a company-wide “Customer’s View project” to enhance services, store environment and the selection of products by attending to the voices of customers reaching into the tens of thousands every year.

In addition to the existing “Hospitality Memo” and “Opinion Box” placed in stores to actively collect various views and needs from customers, we began to conduct “online and mobile phone questionnaires” targeting identifiable customers to enrich the Customer’s View project by analyzing their demands by age and their opinions by store and improving services and product lineup based on these analyses.

## Reinforcing systems to listen to the voices of customers

The “Hospitality Memo” is a system to listen with a lot of attention to the voices of customers in stores. Salespersons having contact with customers write in the Memo the requests and opinions given by customers during conversations with them and submit it. A considerable number of requests and opinions are collected every day. We make assumptions (who wants what) from information collected through the Hospitality Memo and the Opinion Box and verify them through online questionnaires as needed. The quantitative results of analyses obtained from online questionnaires are reflected in new services, product lineup and floor planning.

The system to listen to the voices of customers has a cycle: determining a target→listening to the voices of customers→making plans based on the voices→verifying assumptions through questionnaires→carrying them out in stores→getting feedback on them including after-sales service.

## Services

Basically, Customer’s View services are high quality ones fitting with the regional strategy of each store



Multiple fitting room on the 4th floor of Daimaru Kobe store



Since various lighting conditions are simulated, a customer can see how different the clothing colors look throughout the body. Handrails and other equipments are installed.

and offered to major customers and strategic target while being differentiated and advantageous in the area. The “multiple fitting room with light simulation” on the women’s wear floor of Daimaru Kobe store was born out of customers’ desires to see how they would look outdoors in the garments they try on. It simulates various lighting conditions including in a building and a park so that a customer can see how different the clothing colors look throughout the body. And it has enough space for wheelchair users and mothers with daughters.

Recently, as many as 13 shoe fitters serve the women’s shoes department of Daimaru Kyoto store, which completed its refurbishment on April 22. The department is trying to solve customers’ troubles on shoes through enhanced and highly-professional services and achieve No. 1 customer satisfaction among the women’s shoes departments of the area.

## Product lineup

The products developed based on the voices of customers and gaining popularity include “washable cashmere,” “pattern order boots” and “stain-resistant neckties.” They were developed as our original merchandise by inferring potential demands from the customers’ voices we had received before.

We will continue to analyze the voices of customers, make assumptions and develop products by entering into the lives of target customers.

Under our unique Customer’s View project, new products and services are born from the voices of customers and then they are improved and evolved.

We will continue to develop floors and services from a customer’s point of view.

