

Renewal

Realization of
New Department Store
Model

Accelerating “the Renewal of Department Stores”

The culmination of new department store model –
Daimaru Umeda store grand reopened with increased floor space.

J. Front Retailing is advancing the establishment of a new department store model to strengthen market response capabilities and realize a structural switch to low-cost operation.

The new department store model is “a department store renewal program to create attractive and profitable stores that entice customers to visit.” The newborn Daimaru Umeda store, which represents the present culmination of the new department store model, grand opened with increased floor space (64,000 square meters, 1.6 times larger than before) on April 19, 2011. It has changed from a specialty department store specializing in women’s fashion items to a fashionable and contemporary urban lifestyle store making comprehensive lifestyle proposals with a broader assortment of food, household products, luxury brands and other goods.

There are three points in the store planning of Daimaru Umeda. The first is “the expansion of customer base” by using its locational advantage to thoroughly draw in visitors to the area. The second is “the enhancement of fashionability” by increasing specialty zones. And the third is “the combination of high sensitivity and dailiness” uniting the excitement of shopping and the convenience of daily use.

Expansion of customer base

As a result of the selection of brands and merchandise with too much weight on high prices, mature age, authentic taste and dress-up, department stores have narrowed their target market and customer base and have become increasingly homogenized though they have large-scale stores in prime locations in big cities. While retaining existing regular customers, the newborn Umeda store identified families with small children who had seldom shopped at department stores and the younger set visiting the area around Umeda as its new strategic targets. In order to meet more customers’ demands and pull in much more customers, it increases low-priced items and broadens the price range by offering brands that are popular in so-called fashion buildings and men’s wear shops that developed from roadside stores while broadening the range of category by introducing merchandise and services that department stores lacked, including Tokyu Hands and Pokemon Center.

Enhancement of fashionability

One of the critical factors that motivate customers to visit our stores is that the store has “specialty.” Umeda store has developed a contemporary taste since its opening and the newborn Umeda store further enhances fashionability based on it. In addition to creating a super high-end zone by increasing luxury brands that the store had hardly carried before, it introduced the company’s largest 5,100-square-meter “Ufufu Girls” zone targeting young and around 30-year-old women whose name now became a brand and provides many other zones with specialty including “Cinderella Avenue” offering shoes together with accessories and bags and the Kansai area’s biggest women’s lingerie department “Aux Lingeriese” combined with a supplement shop with a focus on beauty and health.

Combination of high sensitivity and dailiness

One of the factors that kept customers away from department stores is the selection of products overly biased toward extraordinary or glorious consumption. The newborn Umeda store aims to be a “daily” store offering “highly sensitive and reasonable-priced” merchandise by realizing a wide selection of products that can satisfy the immediate and daily needs of people working around Umeda and combining the excitement of shopping with the convenience of daily use. It increased casual fashion brands and items as well as expanding food department by 1.5 times and significantly increasing its lineup to range from specialties unique to *depachika* (department store’s basement food floor) to daily food products. Women’s accessories department offers trends as quickly as possible with the area’s greatest assortment and we realized the floor where customers can enjoy themselves even if they visit it every day. Ten unique cafes are located from the 2nd basement to the 14th floor and restaurants also contribute to increasing customers’ frequency of visiting the store by expanding reasonable lunch menu.

Structural switch to low-cost operation

Our retail floor operation is divided into two types including “shop operation” and “independent operation” and we are working on establishing an operation system, planning staff distribution and training personnel to suit their respective characteristics.

In addition, the newborn Umeda store consolidated the former six departments by merchandise category into three departments by floor to realize the matrix operation of the organization beyond merchandise categories as well as to downsize the organization. And at the same time, back-office functions were merged into and integrated with those of Shinsaibashi store and are integrally operated to further promote efficiency.

These “changes in retail floor operation” will enable the business to operate with a small number of employees, and thus improved productivity will greatly advance low-cost operation. With these efforts the total number of workers at our department stores including Umeda store is expected to decrease from 7,500 persons at the beginning of the last fiscal year (in March 2010) to 5,500 persons (at the end of February 2012).



JR Osaka station



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心から感謝の気持ちを込めてお礼申し上げます。

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