

Knowing More about Customers — Expansion of Customer Base and Improvement of CRM Activities

Sales support through scientific approach

A customer loyalty strategy is primarily intended to organize about four million identifiable customers holding Daimaru- or Matsuzakaya-branded cards and ensure steady sales. To this end, we need to understand the buying behavior of each customer and continue to expand our customer base by encouraging customers to visit our stores. Daimaru Matsuzakaya Department Stores operates a customer information system “J-CIS” to scientifically support frontline sales staff working on such “customer relations.” Since “J-CIS” is linked with our MD information system, we can quickly get a grip on the attributes and changes of customers based on the information obtained at the point of sale. The system also enables us to consolidate customer information in units of household, individual and account. We will analyze the buying patterns of customers from such information to reflect them in retail space planning, as well as strengthening relations between customers and salespersons.

Through thus improved CRM (Customer Relationship Management) activities, our customer base is steadily expanded and strengthened. The total number of the identifiable customers of Daimaru Matsuzakaya Department Stores for fiscal 2010 rose by 4.8% from the previous year, buoyed by the issue of Daimaru- or Matsuzakaya-branded credit cards and cash customer cards increased due to stronger efforts to cultivate new members, and the percentage of sales to these individual cardholders to total sales was 69.1%, up 1.1 points from a year earlier.

Enhancement of communication tools

During fiscal 2008, 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 good buy information of the sales sections that suit their likes and tastes. It has already been established as an effective way to encourage customers to visit the stores to replace newspaper advertisements and inserts. It is not only routine information such as an event schedule that is delivered to MY Mail Members. The innovative “MMS Mail” service is also available in all Daimaru and Matsuzakaya stores. Valuable store information is delivered to MY Mail Members’ mobile phones based on their card information within five minutes after they visit the stores and insert their cards in the stores’ welcome-point-giving machines (MMS: Multimedia Station). It is a new promotional tool that stimulates customers’ buying motivation and increases the frequency of their visit, which ensures that customers are encouraged to buy on several floors and that sales per customer increase.

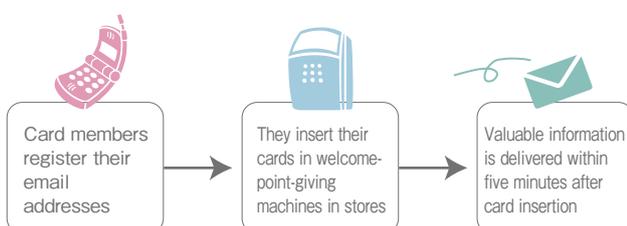
At present Daimaru Matsuzakaya Department Stores has about 370,000 MY Mail Members and more than three million card members who can register their email addresses, which means that there is enough room to expand the membership in the future. Since fiscal 2010 the company has sought applications for “Moba-Mate Members” whose membership non-cardholders can receive by registering only their email addresses and delivers them weekly email magazines containing bargain information of Daimaru and Matsuzakaya stores to encourage them to become its card members.

Collaboration with specialty zones

When we develop specialty zones as a core of our new department store model, we try to organize their target customers as their own card members to expand our customer base. This effort has achieved great results. The popular “Ufufu Girls” representing specialty zones started to issue “Ufufu Girls Card” in Daimaru Shinsaibashi store in March 2010. As a result of continuing to deliver their own email information on members-only events, extra point offerings and others, the annual card membership has reached about 20,000 people. For fiscal 2010, the number of young and around 30-year-old identifiable customers of Shinsaibashi store and the amount purchased by them increased by 28.6% and 40.9% respectively from the previous year. Thus they fulfill their role as a strong tool to attract and retain young women as their target customers. After that, Kyoto, Kobe and Umeda stores opened “Ufufu Girls” and started the same effort and their customers are steadily becoming regular ones as expected.



MMS email delivery system



Growth rate of sales to identifiable customers by generation for fiscal 2010 (%)

