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 4.6 million identifiable customers holding Daimaru- or Matsuzakaya-branded cards and ensure steady sales. To this end, we need to understand the buying behavior of individual customers 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" as an effective tool to scientifically support frontline sales staff working on such "customer relations." Since J-CIS is linked with our MD information system and we can quickly get a grip on the attributes of customers and their changes including outflow and defection based on the information obtained at the point of sale, it serves as an important infrastructure for sales staff to strengthen relations with customers. Buoyed by these CRM (Customer Relationship Management) activities and the stronger efforts to cultivate new card members, the total number of the identifiable customers of Daimaru Matsuzakaya Department Stores for fiscal 2012 rose by 4.9% from the previous year and the percentage of sales to these individual cardholders to total sales was 71.2%.

Enhancement of communication tools

In fiscal 2008, as an effective tool to encourage customers to visit the stores instead of newspaper advertisements and inserts, 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. In fiscal 2011, we better personalized this service so that the members can receive information on new arrivals and events directly from their desired

brands and shops (J-CIS Mail).

The innovative "MMS Mail" service is also available in all Daimaru and Matsuzakaya stores. The stores' special information is delivered to MY Mail Members' mobile phones based on their attributes and buying history 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 promotional tool that stimulates customers' buying motivation and increases the frequency of their visit, which ensures an increase in customer circulation and sales per customer.

At present Daimaru Matsuzakaya Department Stores has approximately 600,000 email members and more than 3.9 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.

Characteristically, the popular "Ufufu Girls" representing the specialty zones developed as a core of our new department store model issues "Ufufu Girls Card" at five stores including Shinsaibashi, Kyoto, Kobe, Umeda and Nagoya stores to organize the specialty zone's own card members. The current card membership has reached approximately 80,000 people. We continue to deliver information on members-only events and floor-specific information by email, and thus the card fulfills its role as a strong tool to attract and retain young women as its target customers.

New communication method

In the meantime, we actively strive to increase

touch points with customers using new communication methods through diversified digital devices and social media.

During fiscal 2013, Daimaru and Matsuzakaya created a Line account. Line is a popular platform for smartphone-based digital marketing. We have obtained many "Friends" (those who registered for our account) (more than three million people in May 2013) by using the stickers of our character "Sakura Panda" as a hook and deliver useful information through this platform to drive traffic to and purchase in our stores.

We will deliver information and contents and communicate in accordance with the characteristics of each media and acquire know-how to strengthen relations with customers so that we will be able to develop customers on a mid to long term basis, as well as driving short-term traffic to and purchase in our stores.

While analyzing the buying patterns of our customers from every angle and reflecting them in our sales floor planning, we will further improve CRM activities to further expand and enhance our customer base.

Changes in the number of identifiable customers of 10 major Daimaru and Matsuzakaya department stores

(Unit: persons)

Fiscal 2011
Fiscal 2012

Young/around 30 · Around 40 · Around 50 · Around 60 · Senior