

Transforming retail customer experience

Case studies from Japan



Case studies

Isetan Mitsukoshi

Personalisation by integrating physical and digital worlds



Uniqlo

Retail stores to locally tailored experiences





ISETAN MITSUKOSHI HOLDINGS

Personalisation by integrating physical and digital worlds

Isetan Mitsukoshi is the **largest department store group** in Japan



50 stores worldwide



\$7.14 billion
consolidated net sales
for FY2020



More than 200 million
annual store visits in
Japan



3.2 million MI Card
members



22,000 employees

#1 Hyper-personalisation for the best fit



YourFIT365

Isetan Mitsukoshi personalised its services by providing shoe recommendations that best fit their customers.

Wide range of selections to choose from

A wide range of brands and shoes types are recommended to customers after their foot measurements are taken with the 3D scanner. There are **25 brands and 600 types** of shoes for men; **32 types** of shoes to be order made for ladies.

Personalisation encourages repurchases and customer loyalty

A total of **15,000 customers** signed up for the YourFIT365 service in the span of almost 20 months. **20% of customers** who made purchases in March 2021 were repeat customers.

#2 Delivering personalisation at scale



MatchPalette

With the use of a 3D scanner, the Match Palette service accurately measures customer's body shape within **5 seconds**.

Get professional advice from the in-store stylist

When the measurements have been taken, a stylist helps identify the customer's body type and explain what clothes they will look good in. In the Isetan Shinjuku store, stylists recommend customers clothes from a total of **1000 brands, 20,000 items**.

#3 Integrating physical with digital



Isetan Remote Shopping App

An application that helps customers shop from home during the pandemic. **15,000 items** are listed on the app, and it is expected to increase to around **1 million** items.

Live chats and video calls boosts customers confidence

Customers can consult store staff about product details e.g. size and color. They can also request a video call appointment if required to understand the products better.

Increase in online sales

Total online sales (including other platforms) for FY2020 has hit around **\$276million**, exceeding its initial target of \$219million.

#4 Life-like shopping experiences in a virtual world



Rev Worlds

A **virtual shopping app** launched in March 2021.

Realistic items and engaging features

In their virtual avatar characters, customers can browse realistic items on display while hanging out with their friends. The setting mimics part of the Isetan Mitsukoshi Shinjuku's department store, with **VR features** integrated in selected stores.

Brand collaborations

To add value to customers' shopping experience, Isetan Mitsukoshi set up **specialty shops** e.g. the Tokyo National Museum gift shop and the Disney Ultimate Princess Celebration space.



From retail stores to locally tailored experiences

Uniqlo is the **leader** in retail worldwide



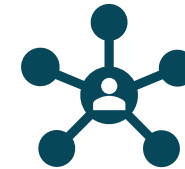
2,442 stores
worldwide



\$15 billion net sales for
FY2021



780,559 m² total floor
space in Japan



42,806 employees in
Japan

#1 Transforming a flagship store into a museum

Ginza store

Uniqlo revamped its 12-floor flagship store in September 2021. With the exhibits of **Uniqlo UT collaborations**, its unique **photobooth** and **custom order salons**, customers can treat their trip to Uniqlo as a recreation. The one-of-a-kind **café** and **florist** also add leisure elements to the shopping experience.



#2 Digitalisation meets fashion

Harajuku store

With Harajuku being the hotspot of pop culture and bold fashion, Uniqlo opened its specialty store targeted to build resonance among the youth. Uniqlo's **outfit recommendation** app called Style Hint is incorporated within the store. Customers can browse 240 **touchscreen displays** of various outfits on the wall and locate their preferred outfits in-store.



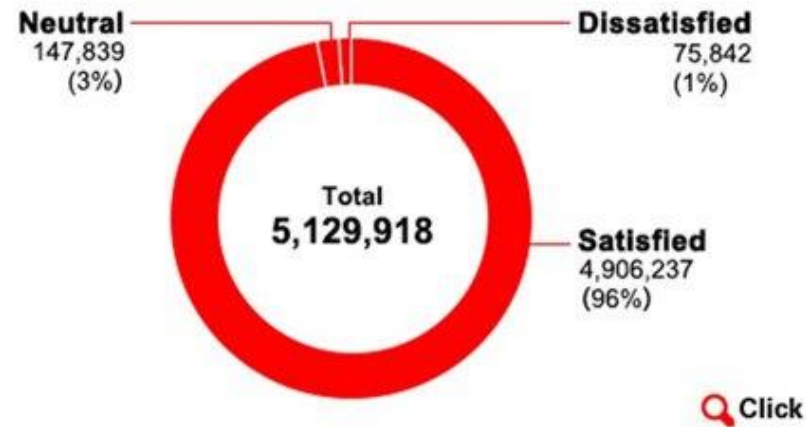
#3 Combining a playpark with retail fashion

Yokohama Bay store

The "Uniqlo Park" experience targets families with children. With slides, jungle gym, bouldering and climbing facilities, children can spend their time doing active sports while their parents take time to shop in-store or spend time leisurely around the facility.



Uniqlo achieved a high level of customer satisfaction in FY2020



Post-purchase
surveys online



26 countries
and regions



5.13 million
comments



Store staff communication,
conduct, speed at cash register

Key Takeaways

#1 Integrate online/offline facilities

Online/offline integration helps deliver a seamless customer experience. Here are some recommendations on how to do it:

Equip your customers with digital tools to help them make decisions better

- In-store availability, product location, price
- Keep customers informed and help them navigate better

Offer customers the similar service online as you do offline

- Services that guide customers throughout their journey (e.g. online fashion advices, video consultation) help boost confidence
- Customers are more likely to repeat their purchases

#2 Encourage cross-functional collaboration

Operational efficiency is vital to a company's success. Here's a deeper look into how Uniqlo operates:

Uniqlo's Ariake Project

- Staff from merchandising, R&D, product development and marketing departments work together on the same floor
- Allows information to be shared across the whole supply chain rapidly, enabling a quicker decision process

#2 Encourage cross-functional collaboration

Recommendations:

Reorganise your team for a more fluid structure

- Instead of having employees work on projects in silos, businesses should set up cross-functional teams for specific projects
- Employees across the supply chain should work together on a weekly-basis for a holistic solution that entails the whole ecosystem

Create spaces for different teams to meet

- Diversity in ideas will build synergy in workplaces. Office spaces can be modified for different functional teams to collaborate e.g. an open-space free-seating office
- Monthly virtual team-building activities with groups consisted of cross-functional members can also kickstart the collaborative process

#3 Strengthen your brand positioning with your physical stores

Stage your physical store as an experience platform for a stronger brand identity. Here are some recommendations on how to execute the idea:

Integrate your customers' interests into their shopping experience

- Identify the customer groups visiting a specific location
- Add value to your store accordingly
- E.g. if your store is located on a shopping district, consider incorporating facilities that allow your customers to take breaks in between shopping

Elevate your customers' five senses

- Engaging your customers' five senses in-store will help make the experience memorable
- E.g. utilising visual cues allows customers to immerse deeper into the shopping experience



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