

“Using ICT, we were able to see information clearly that was obscure to us before. The technology has also brought entirely new possibilities into view.”

Genichi Fujii, Senior Manager
Corporate Planning Division
Strategic Planning Headquarters
Isetan Mitsukoshi Holdings Ltd.

Isetan Mitsukoshi Holdings Ltd. is using insight to deliver better customer service.

At a glance

Country: Japan
Industry: Retail
Founded: 2008
Website: www.imhds.co.jp

Challenge

Department stores cannot survive just on what they sell. It must cultivate a corporate culture that encourages all employees to have aspirations and take pride in their work. IMHDS embarked on a project to improve group-wide productivity.

Solution

IMHDS decided to undertake a thorough analysis of what made the best sales assistants so successful using Fujitsu Field Innovation (FI).

Benefit

- Allows actions of each sales assistant to be objectively measured and recorded in numerical form
- Generates objective data on the behavior of sales assistants
- Sales floor managers can make a theoretical analysis of sales floor-related factors and make improvements

Customer

Isetan Mitsukoshi Holdings' vision is to become the indispensable department store for each individual customer throughout his or her life by continually creating high quality, new lifestyles and being useful to its customers in the many different aspects of their lives. By doing so, it aims to become the world's foremost retail services group with high profitability and sustained growth.

Products and services

■ Fujitsu Field Innovation (FI)

Challenge

In August 2011, Isetan Mitsukoshi Holdings (IMHDS) embarked on a project to improve group-wide productivity. As Genichi Fujii, Senior Manager, Corporate Planning Division, Strategic Planning Headquarters, IMHDS explains: "Department stores cannot survive just on what they sell. We must build a more reliable earnings structure for the future, and this means cultivating a corporate culture that encourages all employees to have aspirations and take pride in their work. We also need to strengthen our ability to sell to customers and turn this into a source of competitiveness." The best sales assistants generate sales several times bigger than the company average. However, since the high performance comes from the individual competence and skills, it is extremely difficult to identify specific factors that account for the success of these sales assistants. IMHDS had made numerous attempts to systematize the skills of the top sales assistants, but with limited success. "We tried to observe how long the top sellers spent on the sales floor or with customers, and we conducted surveys," says Mr. Katsunori Takizawa, Senior Manager in Business Planning & Operations. "But we were unable to establish a practical, systematic approach because gathering and analyzing all the data required needed so much work."

In the words of Mr. Fujii, "We wondered if we could gain an objective view of these traditionally subjective skills using Fujitsu knowledge and technology." IMHDS decided to undertake a thorough analysis of what made the best sales assistants so successful using Fujitsu Field Innovation (FI) - Fujitsu's initiative for business on how to solve issues and implement related measures, based on visualizing what is actually happening in the field through research professional service.

Solution

A full-scale trial was conducted over the course of the first weekend of October 2012 for a section of the women's fashion sales floor at the Isetan Tachikawa store. Visual observations of the sales floor were made every 30 seconds to gather data on the number and length of customer interactions and to track staff movements. This allowed the actions of each sales assistant to be objectively measured and recorded in numerical form.

Comparison of this data showed that the top sales assistants had more customer interactions and spent up to 1.5-2 times longer with customers, resulting in a corresponding difference in the sales generated.

The data also revealed that the best sales assistants tended to wait for customers in positions with a good view of the entire sales floor. Those who waited at the entry points to the sales floor tended to traverse the entire space, which wastes movement and actually time to interact with customers. The data showed that differences in positioning and behavior were largely responsible for differences in the number of customer interactions and time spent with customers.

"From our Point of Sale (PoS) data, we can only know what customers actually buy; we do not know how many sales opportunities we are losing. The findings gave us real, actionable insight into how to improve," says Mr. Takizawa.

Benefit

The trial at the Isetan Tachikawa store demonstrated the potential of capturing objective data on customer interactions. IMHDS decided to partner with Fujitsu to analyze the sales floors at other stores using ICT. In 2013, trials using various technology and systems were initiated at the Isetan Urawa and Shinjuku flagship stores. The trial at the Shinjuku flagship store took place over the first weekend of December 2013 using Fujitsu-supplied smartphones to observe and identify successful sales behavior. Like the first trial at the Isetan Tachikawa store, it was a success in terms of generating objective data on the behavior of sales assistants. IMHDS's Corporate Planning Division gave the results of the trial to the relevant sales floor managers as feedback. Managers were impressed: they thought that quantifying customer interactions and making a theoretical analysis of these sales floor-related factors would be helpful in making improvements, and that the objective data analysis made a convincing case. Sharing the results of these analyses with sales assistants is also beginning to generate increased sales. Mr. Fujii believes that using ICT to generate these kinds of data is useful in clarifying factors where previously managers only had a subjective sense of what might be happening. "This data is more convincing, and so will help us develop concrete measures," he says. "However, we are still only at the trial stage, and we are a long way from our ultimate goal. Using Fujitsu's ICT and related technical expertise, we think we can take greater steps in increasing productivity. This opens the door for department stores and other retailers to whole new avenues of business opportunities."

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