Isetan (Singapore) Limited
Business Intelligence Solution with a Competitive Edge

The retail industry is a key sector for Singapore’s economy. It plays an integral part in transforming Singapore into a premier tourist and business destination for international visitors.

Isetan is one of the largest retail chains in Singapore and the first Japanese department chain to open its flagship store in 1972. It operates four outlets: Isetan Scotts, Isetan Orchard, Isetan Katong and Isetan Tampines.

When Business Intelligence (BI) was first introduced in 2000, Isetan purchased an off-the-shelf BI system to enhance its business performance and monitor shoppers’ buying behavior. BI is a broad category of computer software that helps executives gather, analyze and present historical data to plan better ahead.

“Although over 50 people from the purchasing, sales and marketing departments were supposed to use the software, less than 10 people touched it once or twice,” said Mr. Phua Puey Joy, Senior Director of Isetan Singapore.

The Challenges

Isetan relied on manual stocktaking and Point-of-Sales data to determine what was popular in the market. There was no tool to allow executives to analyze details or integrate with back-end operations.

Rising rental and manpower costs drove Isetan to find ways to increase revenue. High marketing expenses was a concern. The Isetan management team also felt that they were losing touch with their customers. They wanted to understand customers’ purchase patterns, adopt a sound advertising & promotion strategy and re-establish the Isetan brand.

The Solution

Isetan approached NEC for a customized BI system as part of a multi-million dollar core business system that can meet Isetan’s business needs. “The bottom line is the software has to be user-friendly,” said Mr. Phua.

Knowing customers’ psychology is important to create a niche. Purchases billed to Isetan credit cards are captured in the BI system.
“With the data mining capability of the BI system, Isetan is now able to target various marketing campaigns more precisely to 100,000 privilege customers and credit card members.”

Mr. Phua Puey Joy, Senior Director, Isetan (Singapore) Limited

The customized BI solution goes hand-in-hand with NEC’s Open Retail System (ORS) that integrates both front-end and back office. At the Point of Sales (POS), transaction data is captured and update into a central backend database. Customer data, together with transaction information, is then exported to the customized BI system for detailed analyses.

The collective data is represented in graphs and statistical correlations using the BI software and management staff can study consumer trends for better planning.

The Results

“With the data mining capability of the BI system, Isetan is now able to target its various marketing campaigns more precisely to 100,000 privilege customers and credit card members”, said Mr. Phua. “Furthermore, the management is able to allocate its resources in more critical areas such as market planning and business strategies”.

With the current BI system, merchandisers can make more accurate forecasts for future purchases. The ease of getting analyses on consumer trends facilitates the introduction of new products and testing of new merchandise. This in turn helps Isetan to stay current with market trends and be able to create a niche in the market.

With its user-friendly features, more than 40 Isetan staff are now using the BI system at least once a week.

Future Outlook

Isetan is looking to expand the system to add more values to the customers. This includes upgrading the existing servers and enhancing current system functionality.

Isetan is the only department store in Singapore that issues its own credit cards. With the current BI system, Isetan can now fully utilize its consumer data.