



Operational Review

JUSCO emphasises the same "Real Customer First" service philosophy as the AEON Group. This principle not only underscores our competitive edges but also helps to pave the way for our future growth.

It is our diverse merchandise mix, quality service and comprehensive after-sales services including on-time delivery that have helped to keep our loyal customers coming back. Our commitment to deliver value-for-money merchandise to our valued customers is the force that has driven us year after year to source and sell only the highest quality products.

Through the bulk purchase from manufacturers and via JUSCO's network in Japan, we have expanded the variety of products under our own brandname "Top Valu". The "Top Valu" line of products is popular among customers as it is reasonably priced and is perceived as of good quality.



Besides the ability to deliver value-for-money merchandise, which has effectively differentiated JUSCO from its competitors, the Group also recognises the importance of providing excellent services. As in previous years, we collected valuable feedback from different communication programmes and activities including the "5-Star Campaign", the "Store Manager Communication Board", "Tea Party" and the "Mystery Shoppers" programmes. JUSCO treasures all the comments and opinions gathered from both customers and staff members as they provide us with useful reference to enhance our customer services.

Quality Services

The Group continues to provide various internal training and career development programmes to enhance staff's knowledge and customer service skill in the retail business. The CSSSD and the SIT are established to upgrade our overall service standards. Apart from these, JUSCO started the MT Programme in 1999 with the aim to upgrade customer services which is in line with our business expansion. The MT Programme is a three-year programme which provides on-the-job and off-the-job training for fresh universities graduates.





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JUSCO has a total of 10 sizable GMSs in Hong Kong and the PRC, with a total leased floor area of approximately 1,480,000 square feet. Each GMS is located at prime location with high customer flow.

The Kornhill Store is among the most popular JUSCO stores in Hong Kong. In line with our mission to enhance our service, the Kornhill Store underwent renovation during the year. We are glad to report that the turnover increased despite that the Store was closed for four months for renovation. This sustained turnover was mainly attributable to the enlarged sales floor and the enriched merchandise mix. They helped to bring in increased business after the Store re-opened in June 2000.



The success of our Teem Plaza Store in Guangzhou is evidence of the enormous potential of the PRC market for JUSCO. A second JUSCO GMS started operation in June 2000. The two GMSs together recorded satisfactory results during the year under review with total turnover increased by 52%.



J CARD was launched under our "Frequent Shopper Programme" in October 2000 as another major initiative of the Group to create a loyal customer base, which provides us with valuable reference to understand customer preferences. With an accurate understanding of the buying behaviours of customers, we can adjust our merchandise mix to better fulfil their needs. J CARD holders can enjoy exclusive discounts during specific promotional periods. These special privileges help us retain loyal customers and attract new customers and at the same time encourage them to spend more.

Store P e r f o r m a n c e

In December 2000, an on-line virtual shopping mall concept - JUSCOCITY - was introduced. This is in line with the Group's "Customer First" philosophy highlighting the delivery of "Quality Service". The on-line shopping mall also serves as an effective link between JUSCO and its customers. Customers and the public can access information of JUSCO and the community at www.juscocityhk.com.





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An effective operational system is essential to the management of over thousand merchandise mix in a GMS. We have a highly efficient retail operational system that enables us to cope with the rapid expansion of the Group, derive the highest profitability and achieve Efficient Consumer Response ("ECR").

JUSCO has spent three years to implement the Electronic Data Interchange ("EDI") system, which is delivering remarkable result. The system allows transactions to be done electronically helping the Group to successfully enhance cost effectiveness. The Group managed to reduce inventory-carrying cost, administrative overheads as well as the investment on office appliance and at the same time maximise operational efficiency. The system also enables us to improve our just-in-time distribution management, effectively preventing stockout while fulfilling ECR at the right time, the right place and the right price, thus ensuring the optimal Customer Service Level ("CSL").

