UNIQLO, PROPELLING CLOTHING INNOVATION
Leading men’s tennis player and UNIQLO Global Brand Ambassador Novak Djokovic sports a BLOCKTECH fleece parka. The parka’s innovative stretch material and special coating improve traditional fleece by blocking wind and water. The end result is an entirely new item of clothing that’s warm, easy to move around in, and incredibly sleek.
WHY UNIQLO IS

Why Do People Love Us?

UNIQLO produces such an amazing number of unique products because our business model unifies the entire clothes-making process from planning through design, production and retail. UNIQLO LifeWear is high-quality, innovative clothing that is universal in design and comfort and made for everyone, everywhere. UNIQLO leverages today’s increasingly digital world to communicate directly with customers and instantly transform consumer desires into actual products. UNIQLO is always ready to embrace vibrant change as part of its drive to become the brand that everyone, everywhere loves best.

01 Procuring the World’s Best Materials

Only UNIQLO can offer world-class cashmere, supima cotton, merino wool and other materials at such reasonable prices. We do this by procuring the very best raw materials at the source. Our Materials Development Team negotiates directly with natural materials manufacturers worldwide to secure a stable, long-term supply of high-quality materials. UNIQLO also achieves much higher cost savings than other manufacturers by placing mass orders for individual materials.

02 Creating Fresh Demand with New Functional Materials

Our unique heat-generating HEATTECH material is now close to perfection thanks to a long, partnership with leading synthetic materials manufacturer Toray Industries. Our cool-feel AIRism summer innerwear, our Ultra Light Down jackets made of lightweight, fluff-free, high-density material, and our BLOCKTECH fleece, coated with an ultra-thin wind-proof film, are all products of the same inventiveness and ingenuity. What’s more, developing new high-function materials and products has helped create entirely new sources of demand.

03 Simple, Elegant, Quality Clothing

Unlike other apparel manufacturers, UNIQLO focuses on creating simple, everyday wear that can be worn by people of all ages. We enjoy a broad customer base and strong demand. Our clothing is the epitome of simplicity, elegance and quality. UNIQLO has established a network of product development centers in Tokyo, New York, London, Paris, Shanghai and Los Angeles, which channel relevant fashion information from all corners of the globe into the committed research and design of basic wear.
The Reassuring Feeling of High-quality Products

UNIQLO is proud of its high-quality products, which are based on the unrivaled traditional expertise of Japan’s textile industry and UNIQLO’s own takumi teams of highly skilled textile artisans. Takumi experts visit partner factories directly to help build technical expertise and strong mutual trust, and ensure committed and thorough quality management. We also work together with partner factories to build internationally complaint working environments. UNIQLO is committed to supplying consistently high-quality products at reasonable prices.

In-store & Online Sales Make for Easy Shopping

We consider everyone a UNIQLO customer. Our vast range of men’s, women’s and kids wear means shopping at UNIQLO is a fun family event. Our well-organized displays make it easy to find what you want, and customers really appreciate our attentive in-store service. Our simple online interface enables customers to select easily from a full range of products (including some items available only online) designed to satisfy every need. We are constantly expanding our products and services to make online shopping even more enjoyable and convenient.

A Business Model to Satisfy Customer Needs

UNIQLO has a Customer Creation Team to ensure customer comments are incorporated directly into products. The team performs big data analysis of customer feedback, website behavior and purchasing history to gain a swift and accurate picture of customer needs, which are immediately incorporated into product development. The system also facilitates additional production of popular items and colors. In essence, we are building a swift, sensitive business model that provides customers with exactly what they want, when and how they want it.
UNIQLO’S KEY STRATEGIC MATERIALS AND PRODUCTS

Research & Development (Designers/Pattern Makers)
UNIQLO’s R&D centers continually research the latest fashions and lifestyles from around the world. They are also constantly on the lookout for new materials. Concept meetings are held roughly one year before a product’s intended launch. On these occasions, R&D meets with representatives from the merchandising, marketing, materials development, and production departments to discuss and finalize concepts for upcoming seasons. Then UNIQLO’s R&D centers prepare designs and refine samples until each design is decided.

Merchandising
Merchandisers play a vital role from product design through production. After meeting with the R&D designers, merchandisers then apply the concepts for each season to produce plans, materials, and designs.

Development and Procurement of Materials
UNIQLO can secure stable, high-volume supplies of top-quality materials at low cost by negotiating directly with materials manufacturers and placing large-volume orders. The materials used for our core items are particularly important. Our in-depth research and experimentation generates multi-layered improvements in the functionality, feel, silhouette, and texture of our clothes. For example, we source denim to specific spinning standards and dyeing specifications from the denim industry’s reputed Kihara Corporation. We also develop materials with our strategic partner Toray Industries, a synthetic fiber manufacturer, to create HEATTECH.
UNIQLO currently deploys about 450 production team staff and textile takumi (skilled artisans) to production offices in Shanghai, Ho Chi Minh City, Dhaka, Jakarta, Istanbul and Bangalore. Production teams visit partner factories each week to resolve outstanding production quality or management issues. Customer concerns regarding quality are communicated immediately to the Production Department, and improvements are made.

By offering instruction on dyeing technology at UNIQLO’s partner factories, I can encourage workers to embrace a new production management philosophy and improve the factories they work in. Our cultures may be different, but our aim is the same—to make truly good products. I am proud to be passing on expert Japanese techniques to the next generation of technicians.

As UNIQLO expands globally, we have formed business relationships with partner factories worldwide in countries such as China, Vietnam, Bangladesh and Indonesia. We are looking to expand our manufacturing base by developing relationships with factories closer to UNIQLO stores in Europe, the United States and elsewhere.
Inventory Control

The Inventory Control Department maintains the optimum level of store inventory. It does this by monitoring sales and stock on a weekly basis, and then dispatching necessary inventory and new products to fulfill orders. At the end of each season, merchandisers and the Marketing Department work together to coordinate the timing of any price changes to help ensure that inventory sells out.

Marketing

Each season, UNIQLO conducts promotional campaigns for core products such as fleece, Ultra Light Down jackets, AIRism and HEATTECH. During the campaigns, UNIQLO advertises the products’ unique qualities and noteworthy features on TV and in other media. In Japan, for example, weekly flyers in the Friday edition of national newspapers, which are delivered to most households, offer 20–30% discounts through Monday to promote new items.

Stores

UNIQLO Japan had 837 stores (including 39 franchise stores) at the end of August 2016. Since opening its first store outside Japan in 2001, UNIQLO International has expanded to 958 stores, including 560 in Greater China (Mainland China, Hong Kong and Taiwan), 173 in South Korea, 144 in Southeast Asia and Oceania, 36 in Europe and 45 in the U.S. New store openings have been especially rapid in Greater China and Southeast Asia.
Online sales are increasingly important for UNIQLO. In China and the United States, these sales account for over 10% and 20% of our total revenue, respectively. The online sales operation in Japan accounted for just 5.3% of total sales, or ¥42.1 billion, in fiscal 2016. UNIQLO online sales generate a comparable profit margin to our physical stores, and we expect demand will increase much further as more consumers start buying goods online and delivery services improve.

Customer Creation Team

The UNIQLO Customer Creation Team analyzes customer purchasing data to help predict future demand and develop products customers are looking for. The company’s expanding online sales operation provides big data on customer search and purchase preferences, which we carefully analyze. The team uses this valuable information to improve the accuracy of calculations such as how much additional volume of core products to order, and to ensure the creation of new products that appeal to customers.