Loose-fitting, souffle-yarn knitwear, new for fall/winter 2019. The light, soft fit evokes a relaxed, everyday style.
UNIQLO’s R&D centers constantly research the latest in new materials and global fashions in addition to developing products to satisfy future customer needs. In fact, identifying those very needs is an important part of the R&D job.

One year before a product’s intended launch, the R&D department holds a concept meeting with representatives from the merchandising, marketing, and materials development teams to determine the right design concept for each season. Designers then prepare designs and refine samples. Even after a design is decided, its color and silhouette can be refined multiple times before the final design is approved.

Merchandisers play a vital role in the product creation process, from design through production. Merchandisers communicate closely with all departments before determining the designs and materials required for each season’s products. Merchandisers also decide how to market our strategic product launches in close cooperation with the appropriate departments. Deciding product lineups and volumes throughout the year is another important part of the merchandiser’s role.

Many UNIQLO products are manufactured in huge batches of approximately one million units. Closely monitoring sales levels and adjusting production volumes during any one season is another key role.

UNIQLO can secure stable, high-volume supplies of top-quality materials at low cost by negotiating directly with materials manufacturers worldwide and placing large-volume orders to achieve the most favorable terms.

The materials used for our core items are particularly important. Our in-depth research and experimentation generates improvements in the functionality, feel, silhouette, and texture of our clothes. For example, we work closely with Kaihara Corporation to source denim to specific spinning standards and dyeing specifications. We also partner with Toray Industries, a world-leading synthetic fiber manufacturer, to create innovative materials resulting in unprecedented high-function materials such as HEATTECH.
UNIQLO does not own any factories. We outsource all production to partner factories, many of which are in China. We have built relationships of strong trust with our partner factories over many years, and hold annual conventions to promote dialogue with factory managers. We monitor working and environmental conditions at textile manufacturers and major fabric suppliers, and help factories implement improvements as needed. Maintaining a win-win relationship with partner factories ensures the production of high-quality products.

As UNIQLO expands globally, we have formed business relationships with partner factories not only in China, but also in countries including Vietnam, Bangladesh, Indonesia, and India.

UNIQLO currently has production team staff and textile takumi (skilled artisans) in Shanghai, Ho Chi Minh City, Dhaka, Jakarta, Istanbul, and Bengaluru. Production teams that monitor and resolve quality and management challenges visit partner factories each week. The production department also swiftly addresses customer concerns regarding quality.

“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.”

**Dyer Takumi**

Kazuaki Iida
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 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 HEATTECH, Ultra Light Down, Airism, and Bratops. During the campaigns, UNIQLO advertises the products’ unique qualities and noteworthy features on TV and in other media. In Japan, we use email, social media, and weekly flyers in the Friday editions of national newspapers to notify customers about limited-period discounts, typically of 20–30%, on key ranges.

Stores

UNIQLO Japan had 817 stores (including 43 franchise stores) at the end of August 2019. UNIQLO International expanded to 1,379 stores, including 807 in Greater China (Mainland China, Hong Kong, and Taiwan), 188 in South Korea, 231 in Southeast Asia & Oceania, 91 in Europe, and 62 in North America. New store openings have been especially rapid in Greater China and Southeast Asia.
Online sales are increasingly important, accounting for approximately 11% of total sales in FY2019. In the geographically large markets of Greater China and the U.S., online sales account for approximately 20% and 25% of total sales respectively. In Japan, that ratio is only 9.5% (¥83.2 billion), but we aim to increase it by targeting 30% annual growth in online sales.

Customer Center

Our customer center is vital to our effort to improve core ranges. It analyzes huge volumes of requests and comments from customers. Already, this analysis has helped improve many core ranges such as Ultra Light Down, fleece full-zip jackets, boa fleece outerwear, warm EZY Pants, and cashmere knitwear. Going forward, we will seek to improve our customer information collection and analysis capabilities. In FY2019, our customer center responses rose from 420,000 to 700,000. This included an increase in responses via traditional in-store routes, telephone, and online chat tools.